1962 ANNUAL REPORT

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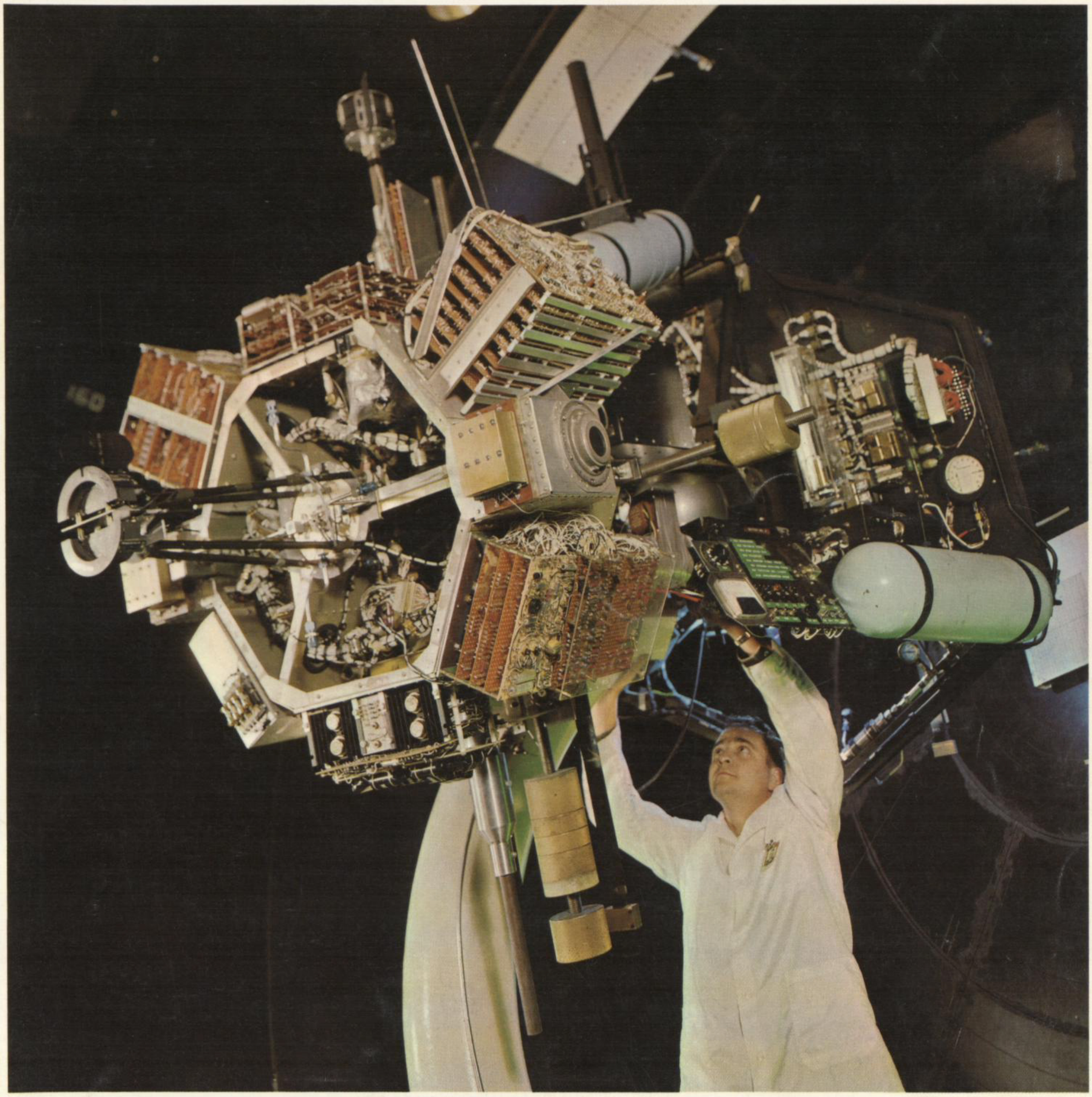
BUSINESS IN
CORPORATION FI



At General Electric's Space Technology Center a young engineer moves familiarly through the electronic mazes of the Nimbus meteorological satellite for NASA—an example of the advanced missile and space projects in which the Company is engaged.

GENERAL ELECTRIC

FINANCIAL HIGHLIGHTS

RESULTS—in millions	1962	1961	1960
Net sales billed	$4,792.7	$4,456.8	$4,197.5
Net earnings	265.8	242.1	200.1
Dividends declared	177.5	176.4	175.5
Federal and Canadian income taxes*	244.0	241.7	190.7
Expenditures for new plant and equipment	125.4	145.2	136.9
Depreciation of plant and equipment	127.1	117.9	116.0

PER SHARE—in dollars			
Net earnings	$2.97	$2.72	$2.26
Dividends declared and paid	2.00	2.00	2.00
Federal and Canadian income taxes*	2.72	2.71	2.15

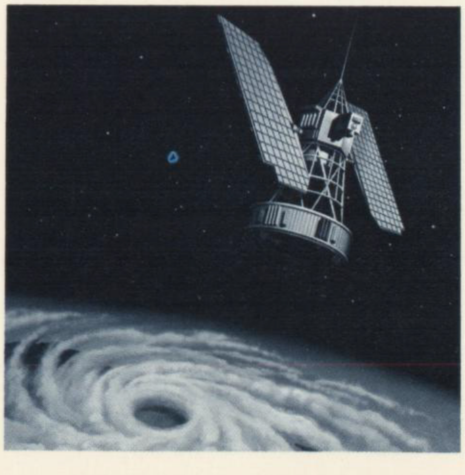
*Includes renegotiation

CONTENTS

Page

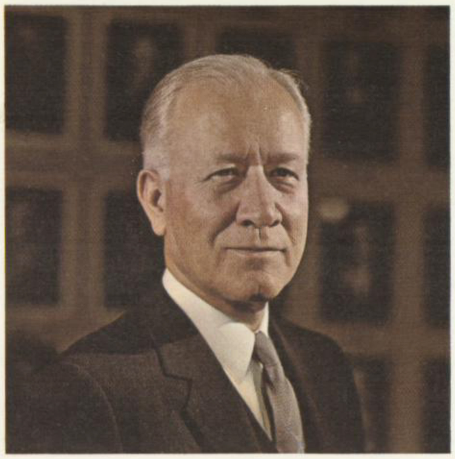
1 Chairman's comments
2 Sales and earnings
4 Aerospace and defense
8 Consumer goods
12 Heavy capital goods
16 Industrial equipment
20 International business
22 Research and technology
24 Progress for employees
24 Report on antitrust
25 Financial summary
28 Financial statements
30 Notes to financial statements
31 Independent auditors' report
32 Directors and officers
32 10 year summary

NOTE: In this report, unless otherwise indicated by the context, the terms "General Electric" and "Company" refer to the consolidated group of companies described on page 30.



Front cover photograph was taken inside a space simulator at the Company's new Space Technology Center in Valley Forge, Pa., the largest space facility owned and operated by private industry. The advanced Nimbus satellite is being developed to travel in a 500-mile-high orbit and transmit global weather data as an aid to improved forecasting. General Electric is building the spacecraft and furnishing the control system to keep the satellite pointed at the earth. Also, the Company is integrating the equipment made by other manufacturers, and will test the completed satellite for reliable performance and long life. The illustration at left depicts an orbiting Nimbus gathering weather data from space.

THE CHAIRMAN'S COMMENTS



The record sales level reached in 1962 was a significant achievement for General Electric people. It exceeded by 8% the previous record set in 1961. Further, it represented continued balanced growth for the Company. Each of the four major product areas, as well as the international business, showed increased sales.

This balanced corporation is a result of management's planning over the last decade. A decentralized organization has been put in place and brought to a high peak of effectiveness in responding to fast-changing customer needs. Emphasis has been placed on the training of employees so that today the Company has great depth in qualified people for management and other business functions. In the last ten years, more than $1.4 billion has been invested by General Electric in new, improved facilities and laboratories. And the Company's expenditures on research and technology have been accelerated.

Two main kinds of growth have thus been achieved for General Electric. First, established businesses have constantly been reinvigorated by new products and improved values in existing products. Second, the Company has built "a new General Electric" in advanced technologies such as atomic energy, gas turbines, computers, automation equipment, and aerospace projects. 1962 results show that this seeding in new technologies is now reaching fruition as a source of sales growth.

The rapid growth in space projects is an example of prime importance. Decisions initiated in the mid-1950's aimed at making General Electric a major factor in this new technology. In their tour last fall of the Company's massive new space facilities at Valley Forge, Pa., your Directors informed themselves on how well these earlier plans have materialized. They received a full accounting of a business which, starting in 1955 with 300 people and a single contract, had grown by the end of 1962 to Division status, employing 13,000 people in a wide variety of aerospace projects.

A larger role in international markets was another goal of managerial initiatives in the 1950's. Again, the 1962 record in export sales—more than three times the 1952 level—indicates the progress that is being made.

1962 earnings were 10% above those for 1961 and were the second best in the Company's history. For General Electric, as for United States industry in general, earnings are in a continuing squeeze between depressed prices and increasing costs. General Electric products on the average are now selling at price levels that prevailed in the 1954-56 period, in spite of greatly improved performance and quality. Price levels of purchased materials have risen 10% since 1955, and average compensation per employee has increased 44%, while earnings per share of stock rose only 23%.

Improvement of earnings remains a most urgent concern of your management. This concern is expressed in an unrelenting search for additional ways to increase efficiencies, reduce costs and build into the Company's products the added qualities that enable the Company to compete in terms of total value rather than on price alone.

To enlist the competitive spirit of all employees in meeting these challenges, a Company-wide Accent on Value program was announced at the share owners' meeting in April 1962. The program's aim was to open a new channel by which the innovative ideas of General Electric people could be brought to bear on the full range of the Company's products and services. The enthusiasm of employees' response has been most gratifying. Every department has a lengthening list of exceptional efforts by employees to meet customers' needs for application, delivery and service, as well as for new advances in design and product performance.

The Board of Directors wishes to recognize the positive effect of these outstanding efforts on 1962 results and looks forward to continuing gains through Accent on Value in 1963.

Another landmark of 1962 was the substantial progress made toward a final resolution of antitrust claims against the Company. As discussed on page 24, the steps taken in 1962 cleared away all Federal injunctive and damage suits pending against General Electric as the consequence of the Philadelphia electrical equipment antitrust cases. Discussions are being conducted with utility customers, in order to arrive at mutually satisfactory price adjustments.

Looking to the future, your Directors and managers believe that General Electric's business is built on a much broader base today than a decade ago, and is in a position to obtain new sales stimulus from many additional sources. Aggressive cost reductions have been made and are being made in order to live with lowered price levels in many businesses. The improved values offered by the Company are bringing in new customers and are opening new market potentials. General Electric is thus in a strong position to realize the opportunities which the future holds for further growth in sales, earnings and useful service to the nation.

Respectfully submitted for
the Board of Directors,

Ralph J. Cordiner

Chairman of the Board
February 15, 1963

1962 SALES AND EARNINGS

Sales set record; all four main product areas show increases; earnings improve.

The 1962 sales rise—to a record total of $4,792,732,530—represented an increase in dollar volume for each of the Company's four broad categories of products. Thus aerospace and defense sales by defense product departments were 24% of the Company's sales for 1962; consumer goods, 25%; heavy capital goods, 23%; and sales of industrial equipment, 28%. This balanced sales distribution by product area was comparable to that of earlier years.

Sales and developments in each of these four main markets are discussed on pages 4 through 19. Canadian and export sales, consolidated in the Company's results and distributed within these four categories, are discussed in the review of the Company's international business, page 20.

The orders backlog, which covers larger products whose manufacturing cycle requires a longer span of time before orders can be converted into sales billed, included a substantial build-up of orders from foreign customers in 1962. Aerospace and defense orders remained at a high level. Relatively low domestic orders for heavy capital goods, however, held total Company backlogs to nearly the same level as that at the end of 1961.

1962 earnings improved 10% over those for 1961 and came within 5% of the record set in 1959. Net earnings for 1962 were $265.8 million, or $2.97 a share of common stock, compared with $242.1 million and $2.72 a share for 1961.

Earnings were 5.5 cents per dollar of sales in 1962, compared with 5.4 cents in the prior year.

Earnings as a percentage of capital invested (share owners' investment plus money borrowed) were 14.1% in 1962, compared with 13.7% achieved in 1961.

A principal reason that earnings did not follow sales to a record in 1962 was the continuing increase in average compensation costs per employee, while prices continued at depressed levels for the Company's products. The Company-wide index of product prices averaged 90 in 1962, compared with 92 in 1961 (1957-59 = 100). The price index at the end of 1962 had declined to levels prevailing in the 1954-56 period.

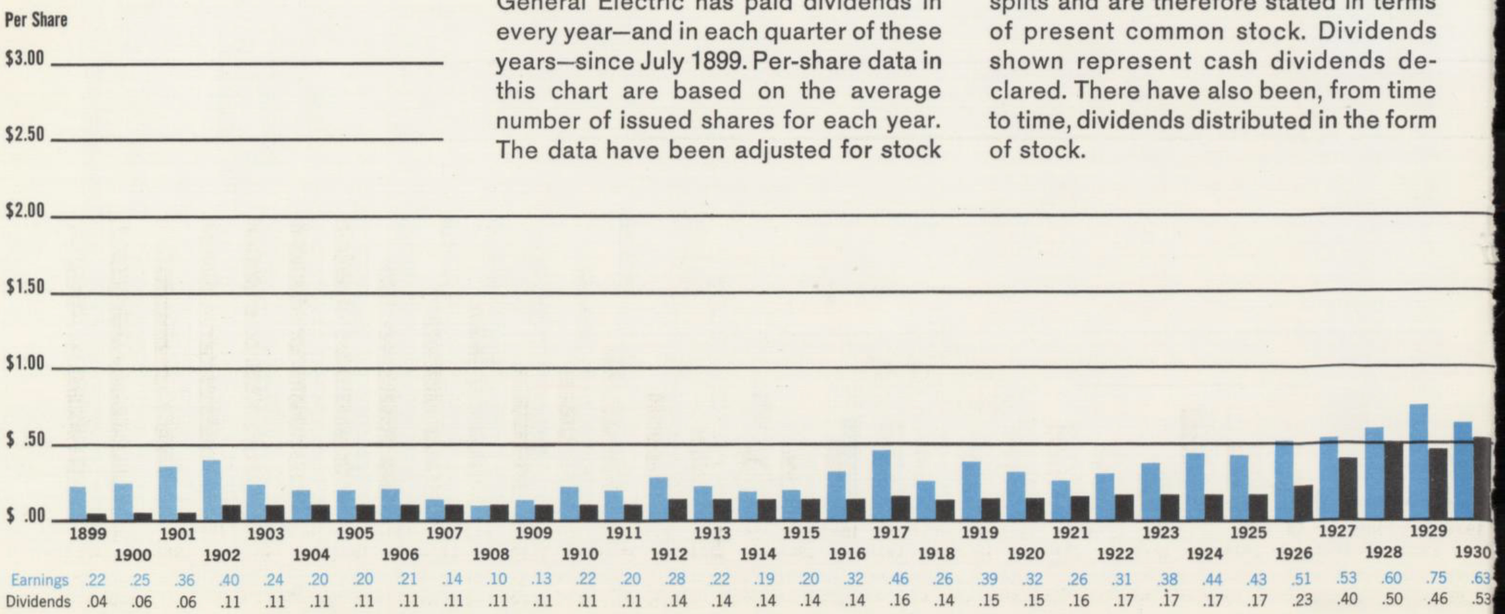
In response to these challenges, all General Electric people are putting emphasis on **value**, enabling the Company to offer customers superior values in terms of quality, improved features and reliable service.

Dividends declared during the year totaled $177.5 million. Dividends of 50 cents a share were declared and paid in each quarter of 1962, for total dividends paid of $2.00 a share. This was 67% of net earnings for the year, compared with 73% for 1961 and with an average rate of 67% over 64 consecutive years of dividends, which are shown in the chart below.

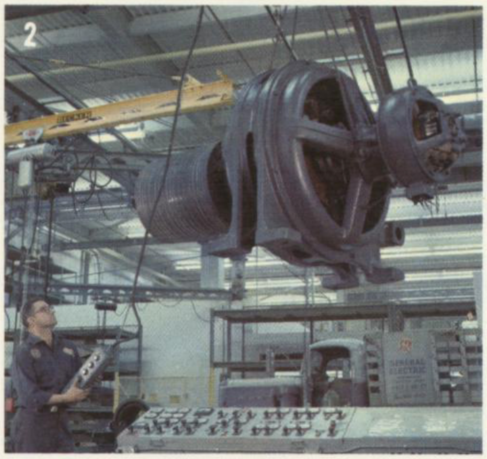
Progress for share owners

Dividends paid for 64th consecutive year; earnings totaled $2.97 per share

General Electric has paid dividends in every year—and in each quarter of these years—since July 1899. Per-share data in this chart are based on the average number of issued shares for each year. The data have been adjusted for stock splits and are therefore stated in terms of present common stock. Dividends shown represent cash dividends declared. There have also been, from time to time, dividends distributed in the form of stock.



Accent on VALUE

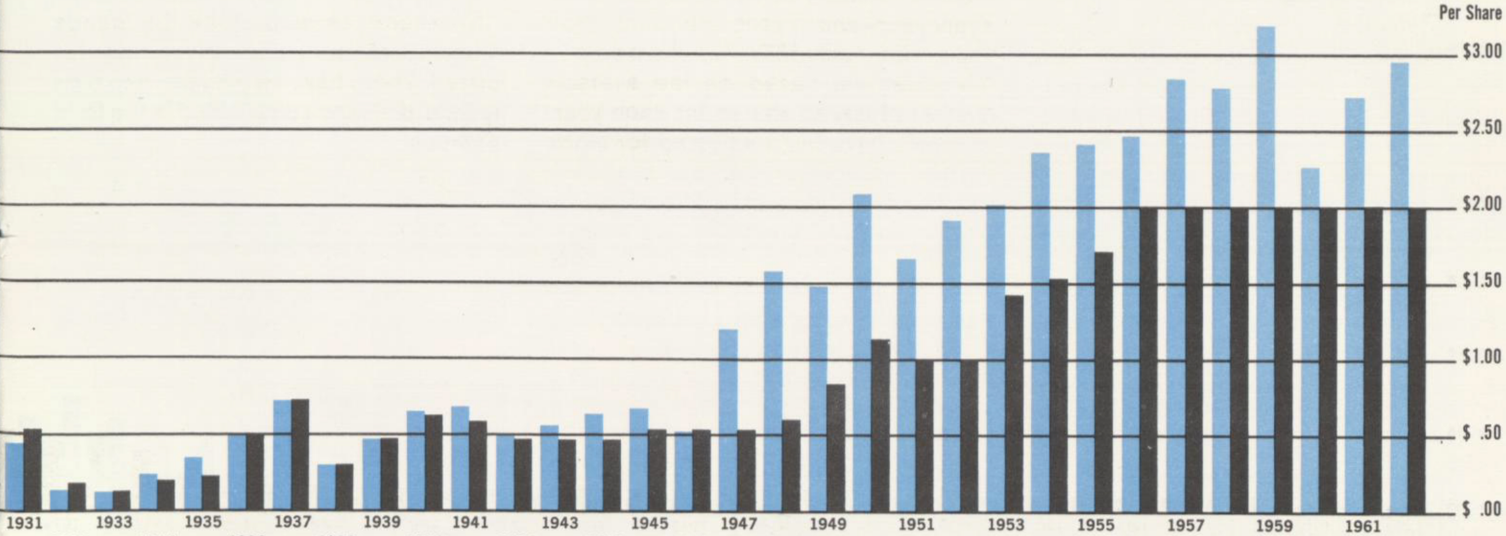


At right: Examples of employees' 1962 efforts to put Accent on Value.

1. Emphasis on quality and reliability in the manufacture of General Electric products is exemplified by employees of Electronics Park, Syracuse, N. Y., who make 1,486 quality-control checks during production of TV sets. Company-wide, over 2,000 specialists are trained in the Total Quality Control Program for factoring advanced techniques into every step of the industrial cycle.

2. Emphasis on better product service: A new Service Shop in Cleveland, Ohio, the largest and most mechanized facility of its type in the world, is one of 57 service shops which the Company operates for utility and industrial customers.

3. Interest in the product after the sale is demonstrated by employees of the Shelbyville, Ind., plant. More than 200 employees devoted a Saturday of their own time to travel to a customer's steel mill in order to study at first hand two of their big furnaces in operation.



	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946
Earnings	.44	.14	.13	.24	.35	.50	.73	.30	.47	.65	.68	.50	.56	.64	.67	.52
Dividends	.53	.18	.13	.20	.23	.50	.73	.30	.47	.62	.58	.47	.47	.47	.53	.53

	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962
Earnings	1.20	1.57	1.49	2.08	1.66	1.91	2.01	2.36	2.41	2.46	2.84	2.78	3.19	2.26	2.72	2.97
Dividends	.53	.60	.83	1.13	1.00	1.00	1.42	1.53	1.70	2.00	2.00	2.00	2.00	2.00	2.00	2.00

1962 AEROSPACE AND DEFENSE

Company enlarges its role in spacecraft, satellites, space power sources.

1962 was a year of accomplishment, growth and increased public recognition for General Electric in the space area. Growth in space projects enabled the Company to increase the dollar volume of its aerospace and defense work. Such sales by defense product departments in 1962 were approximately 24% of the Company's total sales.

The most dramatic space news for the United States in 1962—the orbiting of manned spacecraft—found General Electric in one of the key roles. The radio-command guidance system developed by the Company guided all three orbital launches of U. S. astronauts. It also performed its part perfectly in the critical first stage of the launching of the Mariner II spacecraft on its journey to observe the planet Venus. The system has been chosen to provide the precise control required to put the two-man Gemini spacecraft into orbit, a new step in space scheduled for 1964.

A 1962 event of great long-range potential was the awarding to General Electric of a major supporting role in Project Apollo, the National Aeronautics and Space Administration's program to land a man on the moon by 1970.

General Electric will provide supplies and services to assist NASA in the performance of checkout, reliability assessment and integration support for the program. The Company will supply, install and maintain major elements of the launch control and checkout equipment and will conduct studies to evaluate checkout systems required to assure success of the Apollo mission, as directed by NASA officials.

Two important satellite programs are extending the Company's space contributions. One, work on the Nimbus satellite, is pictured on the front cover. In addition, the Company's contribution to the Orbiting Astronomical Observatory will help to give man his first telescopic views of the heavens unobscured by the distortions of the earth's atmosphere. The Company is developing the system which will control and stabilize this satellite in space.

The growing importance of space projects was further recognized by changes in the Company's organization in 1962. Work on spacecraft, satellites and re-entry vehicles was raised to divisional status with the formation of the Missile and Space Division. Work on the Apollo Project, information and control, and military communications systems was organized into a new Command Systems Division.

To provide a better matching of the Company's skills and resources to the needs of the government, another 1962 organizational change was the formation of the Defense Programs Operation, with responsibility for serving the government's aerospace and defense needs on a unified basis.

These internal changes are designed to give General Electric the structural flexibility and customer sensitivity to contribute more effectively to the nation's fast-changing aerospace and defense programs.

The Company's space exploration projects form an increasingly important complement to its work on missiles. The largest volume of General Electric's space work continues to derive from development and production of re-entry vehicles which bring the payload of ballistic missiles and satellites safely back through the earth's atmosphere.

General Electric's successful development and production of the Mark 3 nose cone for Atlas missiles was followed by work on the advanced Mark 6 re-entry vehicle for the Titan II missile. Following the successful flight testing of the Titan II in 1962, General Electric was awarded a contract for production of the Mark 6.

(Continued on page 6)

1. Accent on values in space: Before starting tour to view General Electric's work on satellites and advanced space technology, members of the Company's Board of Directors inspect a model of the new Valley Forge, Pa., facilities of the Missile and Space Division. This was the Board's second 1962 tour. Earlier in the year in Schenectady, N. Y., the Directors reviewed new work in the Research Laboratory, the Materials and Processes Laboratory and facilities for producing turbine-generators.

2. Fuel cell in space: For NASA's two-man Gemini spacecraft now under development, General Electric is supplying solid electrolyte fuel cells (such as that shown in foreground), which will be the craft's primary electrical power source.

3. To land a man on the moon by 1970 is the objective of Project Apollo. Shown: model of the multi-stage, 30-story-high Apollo vehicle. In 1962 General Electric was awarded a major supporting role to NASA in this program.

4-6. Manned orbital flights by U.S. astronauts in 1962 were guided into space by General Electric's radio-command guidance system. Shown: Astronauts Glenn beside his spacecraft, Schirra in orbit, and Carpenter in life raft.

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Accent on VALUE

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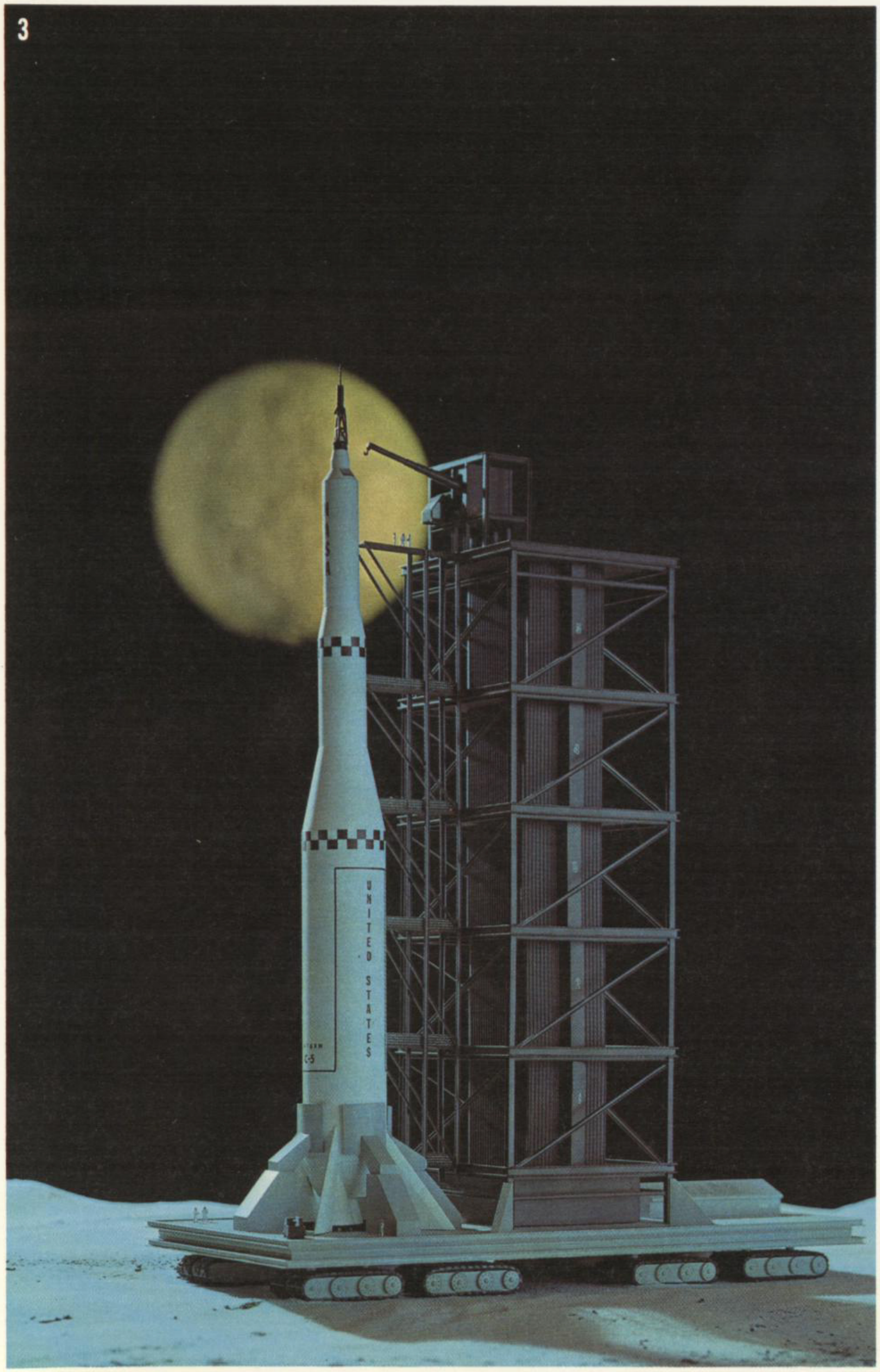
UNITED STATES

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STATE
NASA
J. H. GLENN

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Sales of jet engines, other defense products remain at high levels.

The Company is making important contributions to missile range instrumentation. GERSIS, a range safety tracking system developed for the Navy, became operational on the Pacific Missile Range in 1962. MISTRAM, an advanced trajectory measurement system now being checked out, will monitor the guidance performance of missiles launched down the Air Force's Atlantic Range.

One other highly important contribution is work on the Polaris missile program, as shown at right. General Electric produces the MK2 inertial guidance system, based on a Massachusetts Institute of Technology design. The Company also developed, and is producing, an advanced MK84 fire control system for underwater launching of the missile.

Production of J79 military jet engines stayed at a high level in 1962 and is scheduled to remain at or near this level at least through 1964, as the result of the 1962 order for an advanced version of the J79 engine to power new types of tactical aircraft for the Air Force. This engine powers a number of planes in military operation. In 1962 a J79-powered plane set a new coast-to-coast speed record of 2 hours and 15 minutes.

The most powerful jet engine yet produced is the General Electric J93, designed to power the prototype XB-70 at three times the speed of sound. Engines for the XB-70 were delivered in 1962. The plane's first test flight is scheduled to take place during 1963.

At the other end of the scale, General Electric is the leading U.S. producer of small gas turbine engines for use in jet trainers, helicopters and other aircraft.

The nation's involvement in limited warfare such as that in South Vietnam puts added emphasis on the development of faster and more powerful helicopters. General Electric's T58 engine, the first U. S. turboshaft certified for helicopters, is powering a variety of military craft. The more powerful T64 was chosen as the power plant for a Marine Corps heavy assault helicopter designed to be one of the largest of its type in the world.

Development is also being pushed on vertical-take-off-and-landing (VTOL) craft capable of operating out of small airstrips yet able to fly at high subsonic speeds. The Company is prime contractor on the Army's XV-5A lift-fan VTOL plane, scheduled for flight testing in the summer of 1963. In addition, a tilt-wing plane now being developed will use the Company's T64 engine.

General Electric's defense electronics projects reflect the changing requirements of national security. With major early warning and air defense radar programs largely completed in 1962, the Company is placing increased emphasis on developing new electronics concepts to meet the challenge of missile and space defense.

Development of advanced detection and countermeasures equipment continues to be a major contribution of the Company to aerospace defense. Other new defense electronics projects include: the NUDETS system, a prototype nuclear detonation monitoring system to enable the Air Force to assess nuclear damage remotely; and LOPAIR, under development for the Army, designed to detect colorless, odorless toxic vapors.

Reviewing the swift pace of events linking the Company with the nation's security and space prestige, General Electric people were pleased that when NASA named a new astronaut team during the year a General Electric man was one of the nine selected—and the first to come from industry. He is Elliott M. See Jr., the son of a Company engineer. He was an engineering test pilot with 12 years' Company service at the time of his selection.

At right: National security projects to which General Electric is a contributor.

1. First nuclear-powered missile frigate, the U.S.S. Bainbridge, was commissioned in 1962. After its Navy sea trials Vice Admiral H. G. Rickover, acting for the Atomic Energy Commission and the Navy, observed that the Bainbridge "steamed 570 miles on less than five ounces of uranium fuel." The ship's reactor plant was designed and developed by the Knolls Atomic Power Laboratory, in Schenectady, N. Y., which General Electric operates for the AEC. The Company also supplied complete propulsion equipment.

2. Jet power for new planes: Two U.S. Air Force tactical aircraft announced in 1962 will be powered by an advanced version of General Electric's J79 engine. They will resemble the Navy's J79-powered F-4B shown here.

3. Guidance for Polaris: When submarine-based Polaris missiles pop up out of the sea and streak through space toward their targets, their guidance is provided by advanced units produced by General Electric. Shown in foreground is newly developed MK2 inertial guidance system, whose weight is less than a third that of its MK1 predecessor.

4. Greater mobility for defense: Power distribution trailer, built by Company's switchgear and control departments, is part of a tactical version of an air defense warning system developed by General Electric. Also, the Company's T58 engines power the twin-engine turbocopter shown lifting the trailer from the Plainville, Conn., plant.

5. Nerve center for air defense is the 412L Air Weapons Control System, which General Electric developed with the Air Force to keep foreign skies under constant surveillance. Now being installed at Western European sites, it will detect, track and direct action against hostile aircraft in seconds.

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NAVY

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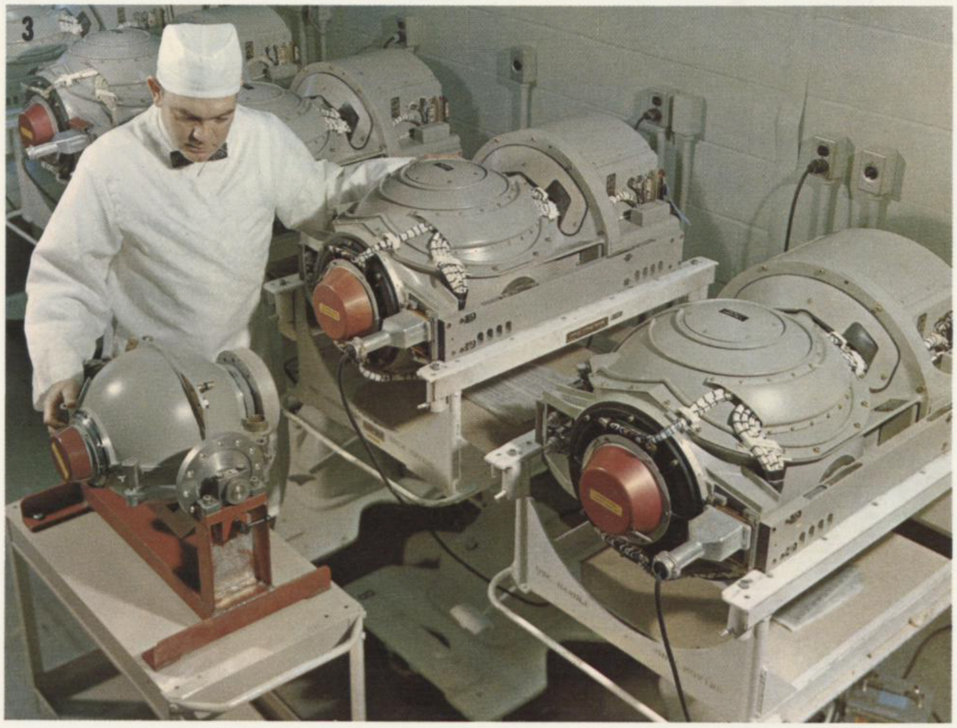

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GENERAL ELECTRIC

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WEAPONS CONTROL CONSOLE
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1962 CONSUMER GOODS

Upsurge in total-electric living brings year of strong sales growth.

Improvement over 1961 sales was realized by every major product sector in the Company's consumer goods business in 1962: appliances, electric housewares, radio and television receivers, and lamps. The result was that the percentage of total Company sales accounted for by the consumer goods business rose to approximately 25%.

With this improved performance, General Electric's sales in 1962 more than kept pace with the increase in the year's favorable consumer goods markets.

In major appliances, sales climbed in 1962 mainly because, when consumers decided to spend more on their homes, the Company was ready with leadership product values. General Electric clotheswashers, for example, could dependably wash a greater weight of clothes. The dishwasher could reliably clean more place settings. Customers wishing to replace old ranges found that General Electric's Americana (see back cover) could fit in the same space yet give an attractive, built-in appearance.

An additional factor was consumers' awareness of the solid performance behind General Electric's claims of greater product reliability and more effective after-sale service.

One indication of the improved quality and reliability of the Company's major appliances is the drop in service calls during warranty periods. In 1962 the rate of these in-warranty service calls showed a further decline of 22%. Since 1958 the Company has realized a 52% reduction in the rate of service calls on products under warranty.

The Hotpoint Division has made similar gains. The Division is demonstrating its confidence in the quality of Hotpoint products by offering customers, in addition to the usual warranties on materials and workmanship, a 90-day "Replacement Guarantee of Satisfaction." Within this period, the Division offers to replace with a comparable model any Hotpoint appliance whose performance has not satisfied the customer.

A new potential in sales growth for Hotpoint is represented by a 1962 contract to supply the J. C. Penney Company with especially designed appliances to be sold under a Penney brand name in many of their stores.

To set the pace in improving after-sale service of major appliances, General Electric operates its own service centers in 65 principal markets which include half of the nation's appliance owners. These centers have been the laboratories for Company development of new ways to speed service, to train personnel and to put after-sale service on a reliable, businesslike basis. Successful new service techniques have also helped improve the service provided by franchised dealers and independent servicing agencies.

The Company offers appliance purchasers Service Contracts which, for a flat annual fee, provide year-round service after the warranty period expires. Sales of these contracts in 1962 were more than double those for 1961.

Electric housewares had their best sales year. Innovations played a strong part. Two-thirds of the Company's 1962 housewares sales resulted from products new or basically redesigned in the past seven years. These included outstanding 1962 sales increases for the automatic toothbrush and the hair dryer (see back cover), as well as continued good sales for the can opener and the blender.

Here, also, a reputation for reliable service was a stimulant to sales. At the end of 1962 the Company had increased the number of its conveniently located Housewares Servicenters to 41 and the number of centers operated by franchised independent service agencies to 155. The Company is adding 16 more Servicenters in 1963.

(Continued on page 11)

1. The values of total-electric living were dramatized for more than two million visitors to the Company's exhibit at the Seattle Century 21 Exposition. Experience gained is aiding the Company in planning its large exhibit at the 1964-65 New York World's Fair.

2. The four basic "building blocks" for total-electric living are suggested in the framed-in "rooms" at right. Wide variety of heating and cooling products available have been grouped in one room. In ceiling: heating panel and embedded radiant heating wire. At left: Weathertron® for electric heating and cooling of entire home in milder climates. Also shown: electric baseboard heating, area heaters and a Thermaline® through-the-wall zonal heat pump (at rear).

3. Built-in appliances offer extra conveniences. Clotheswasher has matching dryer. Built-in oven and cooktop improve kitchen appearance, allow custom design. Undercounter dishwasher cleans 16 place settings. Refrigerator can be attached to water line for self-filling ice trays. Disposall® completes built-in conveniences.

4. Built-in electronic equipment includes new AM-FM sound system which doubles as intercom network and as source of electronic entertainment for as many as ten rooms throughout the house. FM-stereo phonograph is built into a new wall panel surfaced with Textolite® laminated plastic. Also shown: Company's large-screen color TV receiver and 22-pound Escort portable.

5. Good wiring and lighting systems: General Electric offers the industry's most complete line of switches, circuit breakers and service entrance equipment. New Flexway wiring system (in red) looks like molding or door trim yet provides raceway for all switches and outlets. Remote control wiring operates up to twelve circuits from one master switch. Good lighting, making full use of incandescent and fluorescent lamps, completes a total-electric home that families can hardly wait to move into.

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TOTAL ELECTRIC
GOLD MEDALLION HOME
LIVE BETTER
ELECTRICALLY
AWARD

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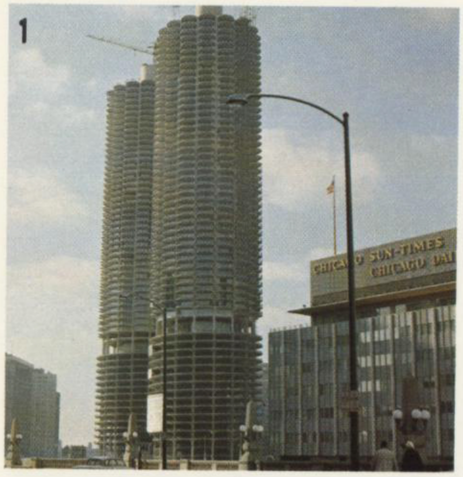
CHICAGO SUN-TIMES
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El Capitan
MOTOR HOTEL

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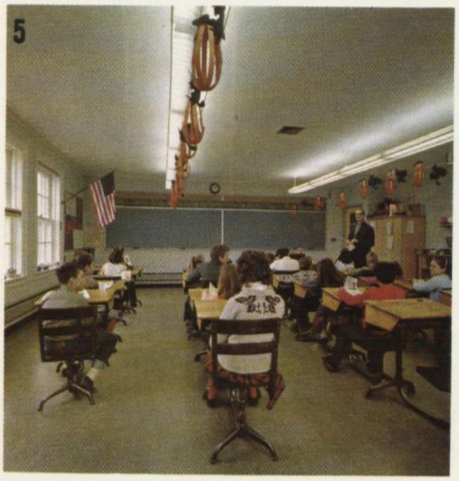

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GENERAL ELECTRIC
NORTHWEST SALES DISTRICT

1962 CONSUMER GOODS (continued)

Developments in electronics, lamps, electric heating add to Gold Medallion living.

The Gold Medallion is the symbol of a home whose owners can enjoy the ultimate in total-electric ease and convenience. More than 10% of today's new housing units have electric heat, compared with only a handful a decade ago. Importance of this trend is shown by fact that while an average home uses 4,000 kilowatt-hours of electricity a year and uses a number of products sold by General Electric, the Bronze Medallion Home uses 10,000 kilowatt-hours and twice the average value of electrical products. Today's Gold Medallion Home, in which electricity is the sole source of energy, adds 25,000 kilowatt-hours to utilities' electrical load and uses four times as great a value of electrical products as the average.

1. Total-electric high-rise apartment, Marina City in Chicago, received first occupants late in 1962. Its kitchens, heating and cooling units, lighting and wiring systems are all-General Electric.

2. Modern motel in Wilmington, Del., is typical of motels which are finding room-by-room temperature control provided by electricity the most practical approach to heating and cooling.

3. Church near Louisville, Ky., is example of public buildings which are now using electric heating equipment from General Electric.

4. 'Electrical space conditioning'—a concept pioneered by General Electric—uses heat from high-level lighting as major heat source for this Cleveland supermarket, requires supplementary heat only in severe winter weather.

5. School on Mackinac Island, Mich., uses electric baseboard heat. Well over half of U.S. schools could make economical use of electric heating.

6. Electrically heated warehouse and service center is General Electric's Seattle, Wash., facility. The Company's new facilities for manufacture of nickel-cadmium batteries at Gainesville, Fla., now under construction, will also have both offices and factory electrically heated.

In consumer electronics, each business increased its 1962 sales. Television sales benefited from excellent acceptance of the 22-pound Escort portable. Radio sales were particularly gratifying in view of the severe threats which this business faced in past years as the result of low-cost foreign competition. The improved 1962 results show that, by new approaches to design and manufacture of radios, General Electric has been able to compete successfully and profitably despite average price levels that are 20% below those of three years ago.

In 1962 General Electric moved to a front-rank position in sales of portable phonographs — a business which the Company re-entered late in 1959. The Company's strong comeback in this short time was based on products that offer customers greater values in performance, innovations and styling. To supplement the FM-stereo radio reception now available in many areas, General Electric in 1962 proposed to the Federal Communications Commission a compatible stereophonic sound transmission system for television.

Sales of lamps advanced to another record high in 1962, moving forward on a broad stream of innovations and favoring trends. The dramatic effects achieved by the Company's lighting engineers at the Seattle World's Fair gave further stimulus to homeowners' interest in residential and landscape lighting. "Private lighting," by which homeowners or businesses rent outdoor lighting from utilities, received greater attention in '62. The use of quartz infrared heat lamps for "people heating"—warming people beneath the lamps but not wasting heat on the air—is steadily increasing for store entrances, show-window areas, theater marquees, waiting stations and sports arenas. Another area of important innovation in 1962 was the application of electrical space conditioning shown at left.

Designers received their first opportunity to work with the Company's new panel fluorescent lamp in 1962, opening a new channel for lamp growth.

Past initiatives in extending services to residential builders yielded increased business to the Company in 1962. General Electric's Residential Market Development Operation, formed in 1959 to combine the sales and engineering know-how of many product departments into a unified marketing center, continued in 1962 to increase the business it generates for the Company.

General Electric also sold more equipment in 1962 for high-rise apartments and office buildings. New developments by the Company in high-voltage distribution systems are enabling builders to achieve substantial savings in the construction, operation and maintenance of high-rise structures.

Consumers' increasing interest in the "services" industries such as travel, education and leisure time pursuits represents an area receiving intensive emphasis from General Electric people, as another opportunity for sales growth. As an example, the Company gained a strong percentage of 1962 sales of TV receivers for hotel-motel installations. Sales of equipment for commercial storage, preparation and service of food have shown a steady rise, which required the expansion of the manufacturing facilities of the Commercial Equipment Department near Chicago.

Further sales were realized from Educational Project Kits, and for younger children a new "Add-Venture" series of kits was introduced. The Company's classroom TV-audio center, especially designed for educational TV use, met with good acceptance from educators. And use of outdoor lighting in recreational areas continued to grow, strengthened by such new applications as lighted golf courses.

1962 HEAVY CAPITAL GOODS

Sales increase, aided by record foreign shipments.

General Electric's sales of heavy capital goods to utility and industrial customers increased in 1962, but the more rapid growth in other areas of Company business held the heavy goods percentage of total sales to about 23%.

An area of great strength in 1962 was the growth in work for overseas customers. As examples, more than 30% of the kilowatts of generating capacity shipped in 1962 by the Large Steam Turbine-Generator Department went to destinations outside the U.S. and Canada, and export sales of power transformers were more than 40% above those for any preceding year. Much overseas business resulted from the innovations and quality built into General Electric products.

An area of relative weakness was in sales of power generation equipment to United States utilities. The problem here is one of several years' duration: many utilities have been left with large reserves of capacity by the moderate slowing of the rate of growth in consumption of electricity and by the rise in interconnections between utilities.

This situation is already beginning to correct itself as the steady rise in energy sales lessens the utilities' reserve capacities. General Electric people believe that, through industry-wide support of vigorous electrical load-building programs such as electric heating and cooling, total-electric living and electrical automation for all sizes of business enterprises, the upsurge in energy sales can be quickened and strengthened. General Electric aims at continuing its leadership of programs to swell electrical load by building greater understanding and acceptance of the full usefulness of electrical products now available to the home, to the farm, to community services and to industry.

To develop new opportunities for sales to utilities, General Electric engineers have concentrated on innovations that even those utilities with comfortable reserves of capacity will find of interest: new approaches that cut costs, improve efficiencies and increase the reliability of electrical service.

Use of advanced computer techniques to simulate utility systems, for example, has enabled the Company's Electric Utility Engineering Operation to help utilities analyze their systems and determine the most promising paths to improvement. This is a program that builds sales by increasing service.

New cost-saving opportunities in power generation have been created by higher capacity steam turbine-generators and by the packaged gas turbine.

The gas turbine came into its own in 1962 as a growing business for General Electric (see back cover). This low-cost power maker is used by utilities in emergencies and when short-duration peaks in electrical demand exceed the capacity of the utility's regular power apparatus. The General Electric packaged gas turbine can be remotely controlled and can go into action in minutes without prior warm-up. It is also being used for base-load generation, particularly abroad, and has many important industrial applications.

The gas turbine in combination with a steam turbine-generator offers utilities a means for achieving lower fuel costs. General Electric is building by far the largest capacity combined-cycle system on order—for a 237,000-kilowatt Oklahoma plant that is scheduled to go into service in 1963.

Another new concept in electric power generation, for which the Company received an order in 1962, is a reserve power unit using ten aircraft gas turbines mounted cylindrically and operated as gas generators to drive a turbine-generator. As reserve power is needed, the unit can be started in minutes to provide 100,000 kilowatts of power.

(Continued on page 14)

1. Novel approach to power generation is the Taum Sauk project in the Missouri Ozarks. Employee Edmund Janoszewski explains to Schenectady Open House visitors how the plant pumps water into a reservoir during low-demand periods late at night, then releases it to generate power to meet peak daytime demands. His drawing is on the outer casing for one of two generator motors—the largest ever built.

2. Developments in transmission equipment center around the possibilities of reducing utilities' costs through transmitting extra high voltages over power lines. 1962 contributions to this technology by General Electric include shipment of the four largest extra-high-voltage transformers yet built in the U.S. Progress in improving manufacturing capability is represented by developments such as mechanized welding of small power transformer, shown at right.

3. Project Dapper, or Distribution Appearance Engineering Research, aims at making distribution systems a more pleasing part of the community scene. General Electric and utility designers and engineers have cooperated in this project to design more attractive equipment for overhead distribution, to develop an on-the-ground system, and to introduce innovations in underground distribution. One such idea is the Lumitran shown here—a unit combining a streetlight and a distribution transformer.

4. Building greater efficiencies into power generation equipment: General Electric employees have pioneered many innovations that help utilities keep electricity one of today's greatest values—with the price of electricity less today than it was in 1935.

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TAUM SAUK PROJECT
ACCENT ON VALUE
MOTOR GENERATOR 240000 HP 204000 KVA UPPER BRACK
INDUCTION MOTOR

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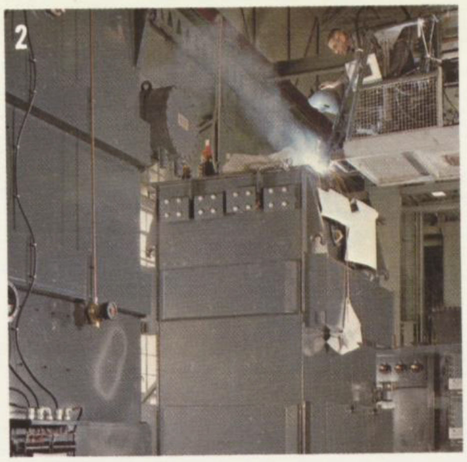

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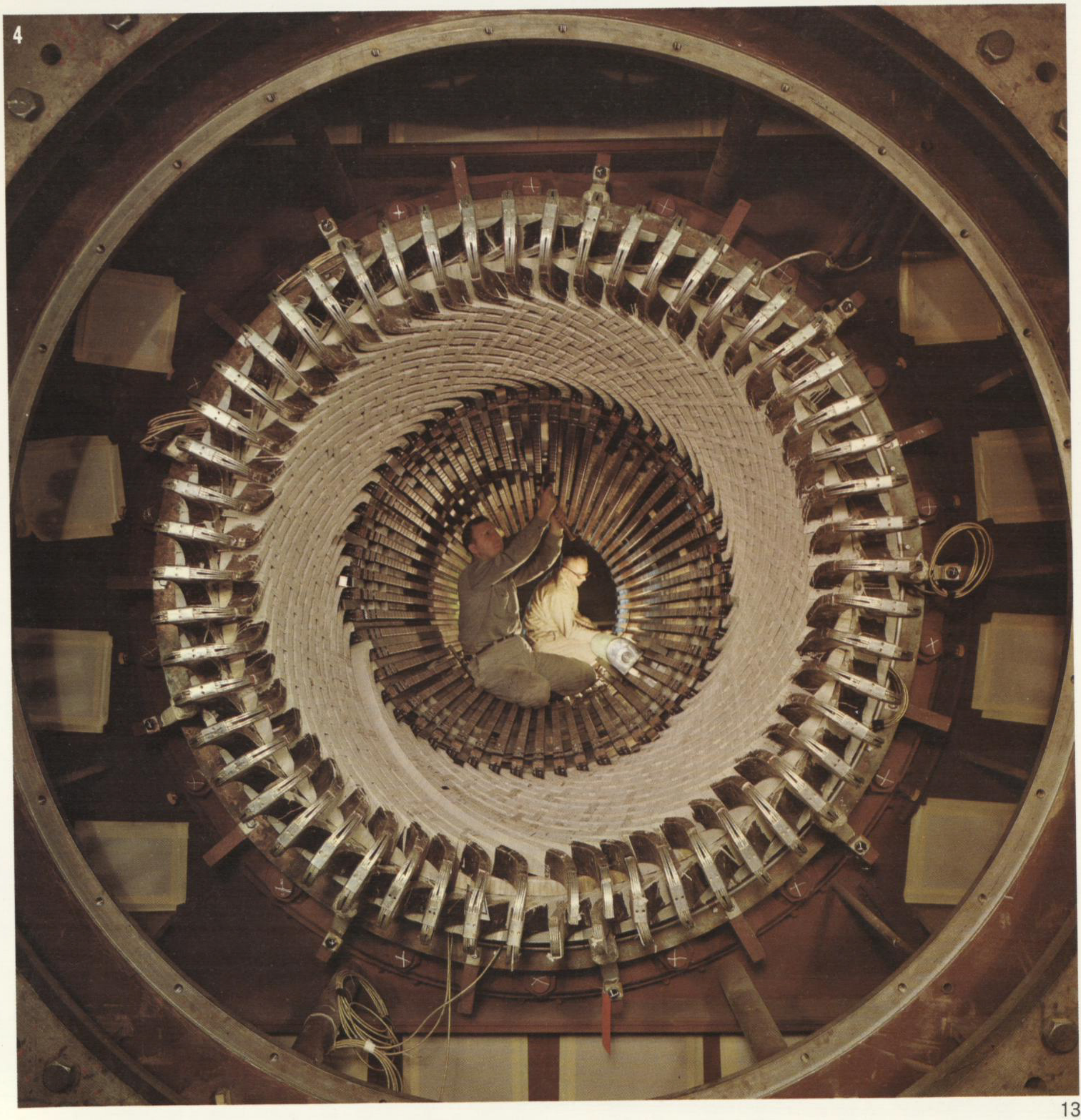

Worldwide atomic business strengthens power equipment sales.

In atomic power, favorable developments characterized the year for General Electric.

The 50,000-kilowatt nuclear plant at Big Rock Point, Mich., utilizing a General Electric reactor system, produced its first power. Other domestic plants nearing completion at year-end were the 50,000-kw plant at Humboldt Bay, Calif., and an experimental superheat reactor at Vallecitos Atomic Laboratory.

Dresden Station near Chicago was authorized to increase its power rating 12%, to 202,000 kw, on the basis of the additional capacity demonstrated by its reactor system. The station produced its two-billionth kilowatt-hour on October 16—far exceeding the output of any other U. S. nuclear power station.

A construction permit application was submitted to the Atomic Energy Commission for a 325,000-kw plant at Bodega Bay, Calif. The utility customer announced that the expected power costs for this station, when it is completed in 1966, will be lower than those for a conventional plant in this area. General Electric is now quoting firm prices and warranties on nuclear plants. In many of the areas of the one-third of the U. S. where fossil fuel costs are 30 cents or more per million BTU's, these plants could be economically competitive.

The Company's dramatic 1962 progress in foreign atomic installations is highlighted in caption 1 on page 20.

Growth was achieved in other areas of the atomic power business in 1962, including radio-isotopes for industrial and medical use, nuclear electronics and nuclear fuels.

Sales of transmission and distribution equipment were areas of relative strength in 1962. The utilities' interest in extra-high-voltage transmission, interconnection between systems and improved appearance of distribution networks helped improve 1962 shipments of such equipment. Sales of the pad-mounted transformer for underground distribution increased sharply. Also in 1962 the Company shipped the world's highest capacity mobile transformers, which can be rushed by utilities wherever extra or emergency capacity is needed.

To enlarge the Company's capability for building and testing extra-high-voltage transmission equipment, substantial expenditures are being made at the Pittsfield, Mass., transformer facilities and Philadelphia, Pa., High Voltage Switchgear Development Laboratory.

Distribution developments to help utilities reduce costs included a new type of "Repcon" cable that can be plowed under the soil, and a new "Certi-Seal" watt-hour meter that is sealed against dust and other contaminants to improve accuracy and cut utilities' maintenance costs.

General Electric's heavy goods sales to industry consist mostly of apparatus and controls for power and propulsion. Such sales remained at good levels in 1962. The pictures at right suggest the many applications of the Company's rugged power producers: motors to drill for oil beneath the ocean's floor, powerful locomotives for the world's railroads, power and control equipment for the production of steel to fine tolerances, propulsion equipment for ships and transit cars, and light, compact gas turbines for hydrofoil craft.

Modern rapid transit systems form a market for General Electric that was good in 1962 and that promises to get better. The Company supplies propulsion systems, controls, power distribution systems and complete engineering for installation and service requirements. Approval by San Francisco voters of a bond issue for a new $792-million system was an important indicator in 1962 of increasing recognition by metropolitan areas of the need for balanced transportation systems.

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Developments in power for transportation and industry are pictured at left.

1. Most powerful domestic diesel-electric road locomotive is General Electric's U25B for high-speed freight handling. In fast, modern freight service it can replace most older locomotives on a two-for-three basis while maintaining or improving on present schedules.

2. Higher performance rail transit cars, powered by General Electric propulsion systems, are enabling schedules to be stepped up for 25% faster service.

3. 'Packaged' engine room system supplied by General Electric provides new economies in power for 50,000-ton oil tanker. In development: automated systems which link propulsion turbines and electronic controls in one space-saving package for reduced installation and operating costs.

4. First ocean-going hydrofoil ship harnesses the power of marine adaptations of General Electric's aircraft jet engines through a unique development in gear transmission equipment. The craft "flies" on winglike foils above the water at more than 70 mph and will carry more than 60 passengers when in regular operation.

5. Largest self-propelled drilling ship in the world is the Cuss III, whose propulsion system, drilling motors, controls and other electrical equipment are from General Electric. The customer is building an all-General Electric fleet.

6. Power control room from General Electric coordinates power and control equipment for an entire steel-making operation in one compact center. Result: reduction in space requirements, a decrease in start-up time from weeks to a few days, and customer savings on many processes of more than $100,000 in installed costs.

1962 INDUSTRIAL EQUIPMENT

Increased sales reflect industry's interest in automating to stay competitive.

General Electric has been steadily broadening the range of its innovations keyed to the drive of industrial customers to raise productivity, improve quality and increase their ability to compete. This highly diversified area of the Company's business achieved further growth in 1962, both in sales and employment levels, and accounted for approximately 28% of the Company's total sales.

A long-term objective for General Electric has been to develop its capability to supply customers with complete electrical systems, from basic drive equipment to the computers which control the entire operation and provide data for management. A final gap in this broad objective was filled during 1962 with the development of a full line of all-electric sensors and process instrumentation. The use of x-ray as an industrial sensor is growing steadily.

Another Company goal is to enlarge the range of industries to which it supplies advanced automation systems. While continuing to be a major supplier of manufacturing systems for such basic industries as mining, metals, metalworking, paper-making and textiles, General Electric has extended the scope of its systems engineering, as shown at right, to systems for computer control of utility operations, for automatic warehousing, and for cement-plant automation. The installation of systems for automatic sorting and handling of mailbags at railroad terminals also showed progress in 1962.

Programmed controls for the machine tool industry is a strong growth area in which General Electric holds leadership. The back cover shows a typical installation: the Company's numerical control equipment reads punched paper tapes to guide complex machining operations automatically.

One important aspect of these controls is that their application offers economies to small companies with short production runs as well as to larger manufacturers.

The Company's new Mark Century control systems utilize advanced solid-state electronics to increase their capability and extend their applications.

Deliveries of General Electric computers more than doubled in 1962 over the prior year. The Company has divided its computer business into two main areas: computers for control of industrial processes, and computers for data processing systems. Both types are incurring high developmental costs, but both are showing rapid business growth.

The potentialities for process computers are illustrated by a hot strip steel mill system installed by General Electric. Not only does the computer control the complex steel mill operation but it also provides such data as the quality of the product, output, cost, payroll and production schedules. The Company is at work on automating other steel mill operations, including control of blast furnaces.

In data processing, the Company continues to expand into new markets with its versatile GE-225 general purpose computer. It is being used in applications as varied as calculating cake-mix formulas and predicting hurricane paths, assisting in oceanographic studies and maintaining auto registry records for an entire state, measuring "life support" requirements in space and providing data for medical researchers.

The wide-ranging applications of the GE-225 result from the Company's efforts to tailor computers to customers' needs. The Company is stepping up the development of programming packages that make it possible for standard equipment to be adapted to specialized use.

Other 1962 progress in computers included the introduction of new data transmission systems shown at right; the opening of 16 new sales offices and of Information Processing Centers in

(Continued on page 18)

Values for industrial customers, helping to improve their productivity and reduce their costs, are pictured at right.

1. Automatic warehousing system uses General Electric's "full conveyor order picking system" which recalls selected items from storage and dispatches an accumulated order to a loading or shipping dock.

2. Modern sawmill operations depend heavily on electrical equipment. Here an operator in a West Coast mill uses General Electric controls to roll logs into position for de-barking by a controlled jet of high-pressure water.

3. New cement mill system uses a General Electric x-ray emission gage as sensor for continuous analysis of the material mix. Control of the process can be adjusted immediately rather than after a two-hour wait for conventional chemical analysis.

4. Data transmission equipment speeds communication between computers. Against the background of a GE-225 computer are new Datanet units that have linked computers as far apart as Schenectady and Phoenix. Growth of the Company's computer business is indicated by the rise in employment of the Computer Department, from just over 100 in 1956 to more than 3,000 at the end of 1962.

5. Process computer, the first installation of General Electric's 412 computer, is used by utility customer to monitor and log the operation of a steam generating unit. New "modular" design permits step-by-step build-up of a computer system to match a customer's increasing needs.

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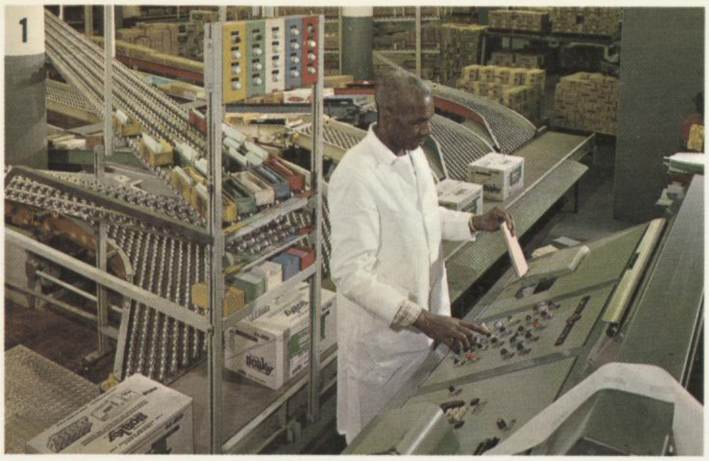

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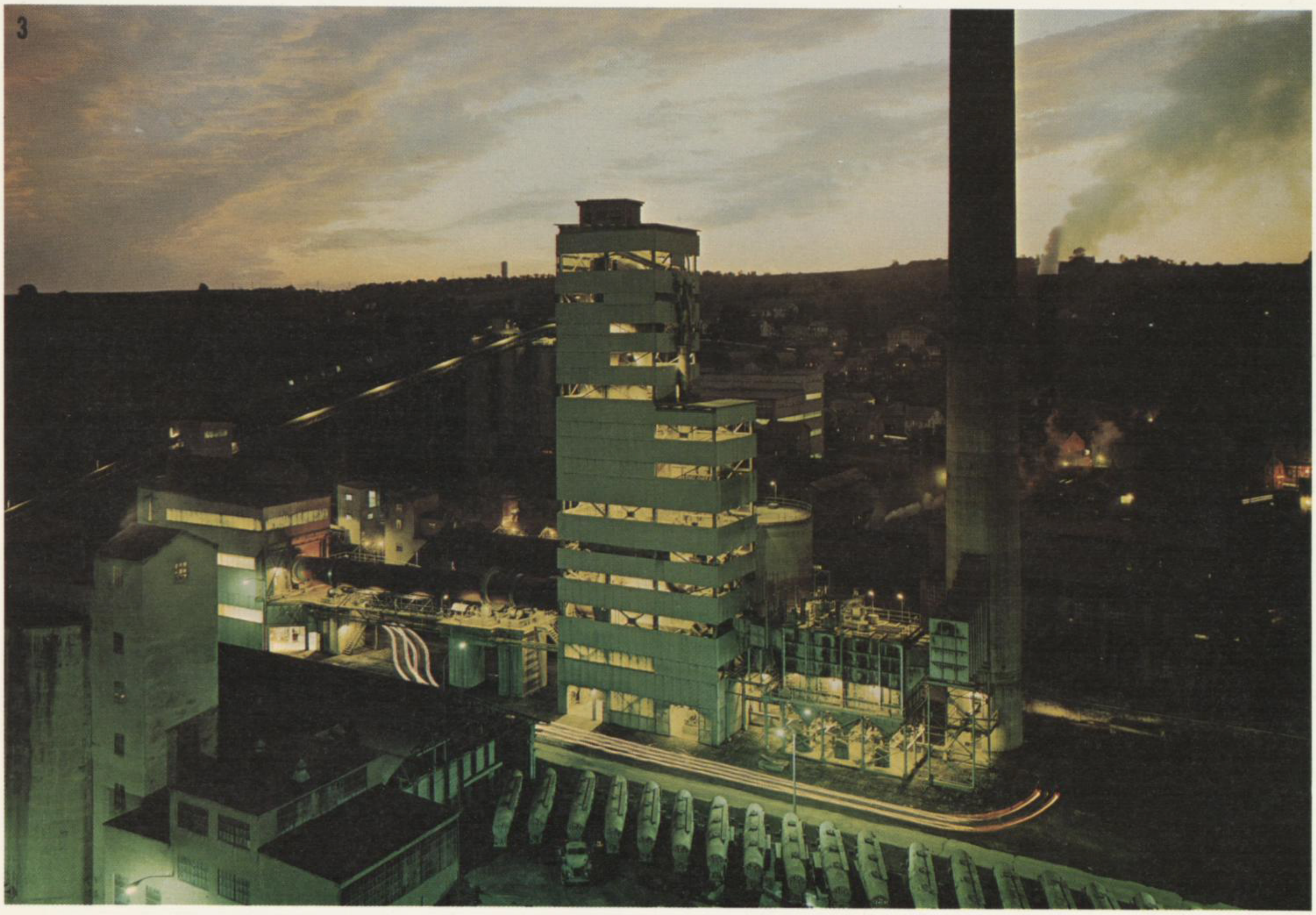

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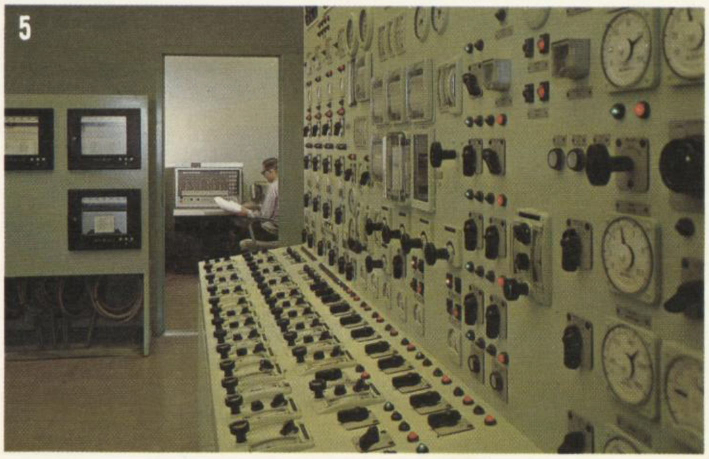

1962 INDUSTRIAL EQUIPMENT (continued)

Sales of components and materials include strong growth areas.

Schenectady, Washington, D. C., and Dallas; the beginning of shipments of computers to overseas customers; and increased shipments of peripheral equipment.

Sales of components and materials comprise another important source of General Electric business with industrial customers. Expanding use of computers, as an example, opens other new market opportunities. General Electric has become a leading supplier of plastics for printed circuits. A 1962 development for computers was a special voltage-stabilizing transformer which is aiding the rapid build-up of sales of computer components. Sales of capacitors, stimulated by computer and military applications, have risen so sharply that the Company is expanding its facilities for manufacture of specialty capacitor products at Irmo, S. C.

In 1962, sales were particularly strong in components for consumer products, including appliance motors, hermetic motors and appliance controls. General Electric supplies these components to many manufacturers as well as to the Company's own appliance businesses.

A promising 1962 development was a metal glow switch for fluorescent lamp starters that improves lighting and extends lamp life.

In electronic components, the Company's business consists of two main areas of development: vacuum tubes and semiconductors. Both are highly volatile innovative areas requiring substantial reinvestment of earnings. Industry sales continue to be at depressed price levels. General Electric remained a strong competitor in 1962 and has the innovations to build future sales.

New developments include vacuum microcircuits, known as TIMMS. Designed to operate at high temperatures, they can overcome problems affecting other kinds of circuits during a spacecraft's re-entry of the earth's atmosphere, and their ability to withstand nuclear radiation promises more reliable missile navigation systems.

An important development is the Lamilite TV picture tube which provides superior protection while eliminating the safety shield and mask of conventional sets. Used in General Electric's Escort portable, it cuts the set's weight by 10% and allows a slimmer design.

In semiconductors, rapid growth is being realized in sales of the silicon controlled rectifier, introduced by General Electric in 1958 and widely used in many types of compact, reliable equipment for electric power control and conversion. 1962 introduction of the "controlled avalanche" rectifier creates new opportunities by eliminating the protective equipment that was required to guard against voltage surges.

The functional components blocks discussed at right represent a strong entry in the field of micro-electronic integrated circuits.

Research discoveries in the search for better materials for General Electric products over the years form the base for the Company's diversified business today as a supplier of chemical products, special metals and a variety of other materials.

1962 was a good growth year for silicone chemical products, Textolite® laminated plastics, and industrial "Man-Made" diamonds. Shipments of Lexan® plastics doubled over those for 1961.

It was also a year of spectacular growth in the use of Vulkene®, a polyethylene material developed by the Company for use in insulation. Vulkene-insulated cable can carry more current than conventional cable while permitting large reductions in cable size and weight. In order to speed developments in this field the Company is building a new Wire and Cable Laboratory at Bridgeport, Conn.

1. Milestones in motor values are shown in Fort Wayne, Ind., facilities. When the Form G was introduced in 1952, it gave industry a motor that was 50% lighter and 40% smaller than former motors of comparable power. In 1963 the Company is introducing a further advance—the Form G2, offering an 18% decrease in weight and length, better insulation and new relay starting.

2. Electronic component development in 1962 is symbolized by mass production of micro-electronic circuitry, custom-built to the customer's specific design requirements, from a matrix of 1,100 transistors and 4,200 resistors in a one-inch wafer of silicon. Over 100 "chips," or functional components blocks—each a complete electronic circuit—are obtained from the silicon wafer.

3. New refractory metals business has been built by General Electric as an outgrowth of experience in developing metals for lamps. Commercial production began in 1962 in new facilities near Cleveland, supplying tungsten and molybdenum to aerospace, electronic and other customers.

4. Business in industrial diamonds and special metals is being expanded by General Electric. New, larger size industrial "Man-Made" diamonds are now being used in masonry saws. Other new developments shown: more efficient carbide cutting tools in reusable holders; "Foametals" for use in space exploration; and Lodex®, a revolutionary new magnetic material, for a variety of electronic applications.

5. A business in chemicals is continuing to grow at General Electric. Shown against background of Lexan polycarbonate resin manufacturing facilities at Mount Vernon, Ind.: Lexan plastics, whose tough qualities yield such products as vandal-resistant streetlights; silicones, used in products as varied as furniture polish and sealants for spacecraft; and Textolite laminated plastics for decorative surfacing and electrical insulation.

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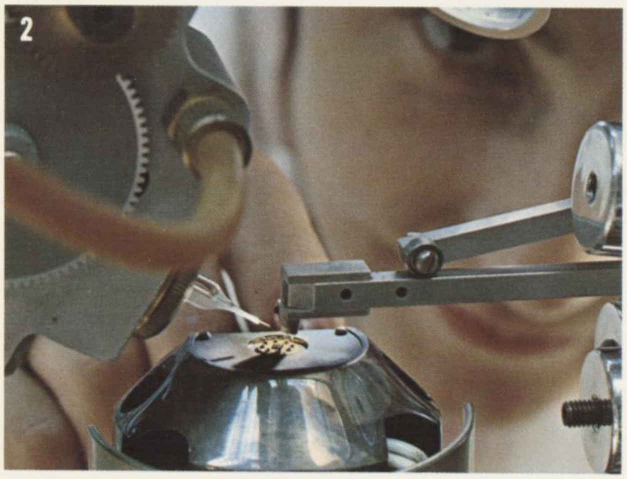

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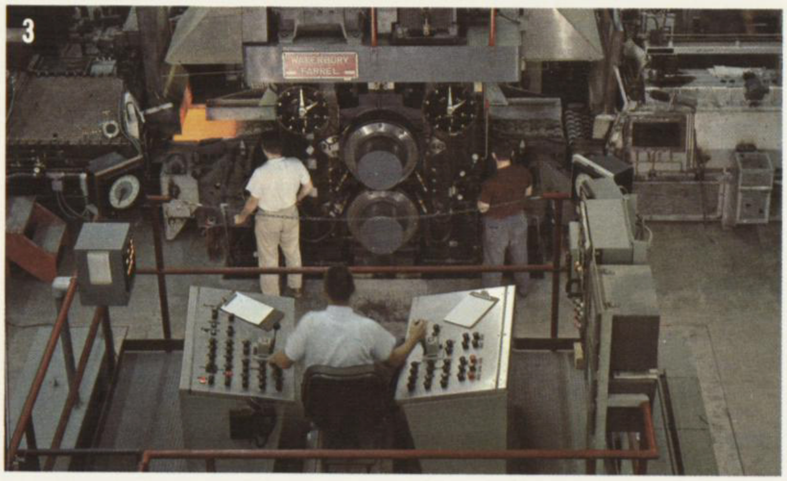

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1962 INTERNATIONAL

Substantial increase in exports leads to new sales records.

A 24% increase in export sales over those for 1961, and the best sales year in the history of Canadian General Electric Company, brought 1962 international business to a record level for General Electric. Export sales and the Canadian Company's sales are consolidated in total Company results. In addition, General Electric has nonconsolidated subsidiaries in 23 countries outside the U.S. and Canada, maintains a portfolio of foreign investments, and conducts an extensive licensing program.

The record 1962 export sales by the International General Electric Company Division, and an equally high level of new orders, resulted primarily from the Company's leadership in advanced technologies. This is shown in major 1962 orders:

–from Japan, Korea, Chile, Spain, Ghana and Greece, large orders for electric power generation equipment;

–from Italy, electrical equipment for two steel mills;

–from Brazil, power plant equipment for a synthetic rubber factory;

–from NATO countries, jet engines and other defense equipment.

Other factors helping to build the Company's export sales included the development of products especially designed for foreign markets, the ability to meet fast delivery requirements, and U.S. foreign-aid loans tied to purchases of goods made in the U. S.

Canadian General Electric Company, Limited, achieved a new sales peak of $263.3 million, a 22% increase over the volume achieved in 1961. Sales were gaining at year-end as Canada's economy continued to improve.

The 1962 sales record was aided by sales of Dominion Engineering Works, Ltd., the new subsidiary which was acquired on February 1, 1962, under terms discussed in General Electric's 1961 Annual Report.

Sales by Canadian General Electric consist almost entirely of products manufactured by 13,276 employees in 9 Canadian communities.

Sales by foreign nonconsolidated subsidiaries—companies outside the U.S. and Canada in which General Electric has the sole or majority interest—rose to $226.4 million for the twelve months ended September 30, 1962, an increase of $10.5 million over the preceding twelve months' sales.

However, the subsidiaries' operations for the 1962 period resulted in a loss of $5.3 million. While some subsidiaries, such as that in Brazil, had a successful year of earnings, others encountered special local situations that led to heavy losses. These losses were in part the result of management's determination to make immediate, if painful, operating adjustments for such factors as obsolete inventories, unsettled economic conditions in certain countries, and sharp declines in the value of local currencies against which only partial protection was obtainable.

These operating adjustments, in addition to the placement of strengthened management teams in several subsidiaries, leave the Company's overseas operations in sounder condition to capitalize on future opportunities.

The Company is carrying forward its overseas investments in manufacturing and marketing subsidiaries. During the year 1962, operations were expanded in Australia, the Philippines, India, Ireland and Venezuela, and a sales subsidiary was established in West Germany.

Investments in these subsidiaries are carried on the Company's books at cost, which was $92.1 million at September 30, 1962. As a result of earnings reinvested in prior years, their value is $40.7 million greater than this cost. Included in consolidated earnings for the calendar year 1962 was $1,787,671 in dividends received from these subsidiaries.

1. Italy: Garigliano Nuclear Power Station, 150,000 kilowatts, was 96% complete at the end of 1962 and will be ready to begin power production in 1963. Other 1962 progress in foreign nuclear power stations: Japan's 12,500-kw power demonstration reactor station also neared completion. West Germany's 15,000-kw Kahl station operated at full power, and a General Electric subsidiary was selected by the customer to supply the reactor for a 250,000-kw station in Bavaria. From India a letter of intent was received for a 380,000-kw station. Canada's first atomic power plant, a 20,000-kw station which began operation in 1962, was designed and constructed by Canadian General Electric.

2. Kuwait: offshore oil facilities, including four offshore flow stations such as that shown, represent world's largest remotely controlled crude-oil system and the first of its kind to be completely powered by electricity. Power is generated by General Electric gas turbines. Facility also makes extensive use of General Electric motors, controls and cable. Automation is provided by APRIL system (Automatic Programming, Remote Indication and Logging) developed by the Company's switchgear engineers.

3. United Kingdom: world's first completely automated hot strip steel mill began initial stage of its operation in 1962. Its automatic controls are from General Electric. The mill will come under full supervision of a General Electric 412 computer now being installed.

4. Brazil: production of heavy electrical apparatus began in 1962 at newly completed Campinas Industrial Park, an outstanding example of General Electric's investment in overseas subsidiaries.

5. Mexico's largest steam electric station is being developed to supply 600,000 kw. General Electric and Mexican engineers are shown completing installation checks on plant's first 150,000-kw turbine-generator, largest ever installed in Mexico.

1

Foreign Nonconsolidated Subsidiaries— Combined Statements

(In thousands)

	September 30	
	1962	**1961**
FINANCIAL POSITION		
Customer receivables	$122,728	$116,857
Inventories	105,325	83,710
Fixed assets	56,676	51,578
Other assets	83,218	93,694
Total assets	367,947	345,839
Borrowings	79,634	69,907
Other liabilities	155,513	141,538
Total liabilities	235,147	211,445
Equity of, and advances by, General Electric	132,800	134,394
Carrying value at September 30	92,134	84,900
Excess of equity over cost	$ 40,666	$ 49,494
OPERATIONS (twelve months ended September 30)		
Net sales billed	$226,447	$215,949
Earnings or *loss* on these sales	$ *2,060*	$ 5,448
Provision for the effect on net assets, except fixed assets, of net decline in local currency values	3,259	5,415
Net earnings or *loss*	$ *5,319*	$ 33
Dividends for calendar years 1962 and 1961, included in General Electric Company's earnings	$ 1,788	$ 2,603

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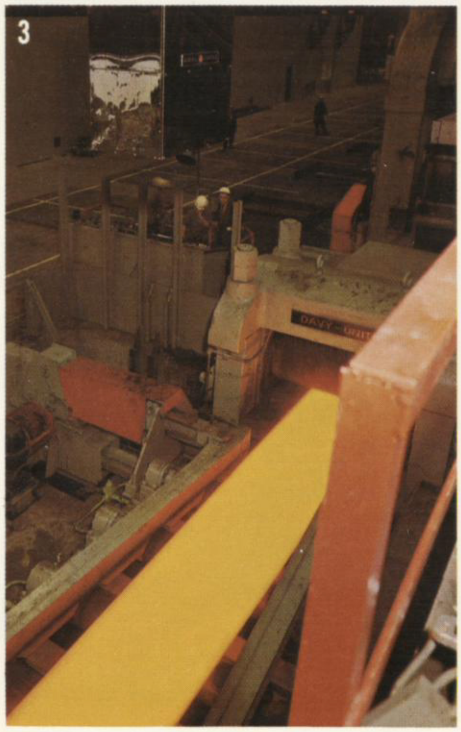

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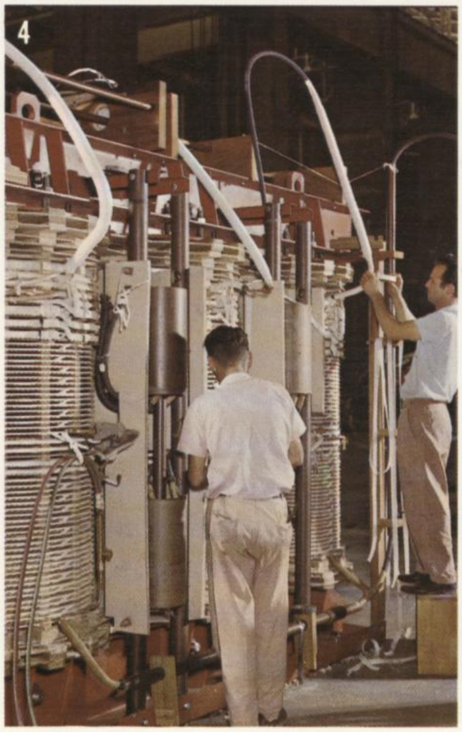

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1962 RESEARCH AND ADVANCED TECHNOLOGY

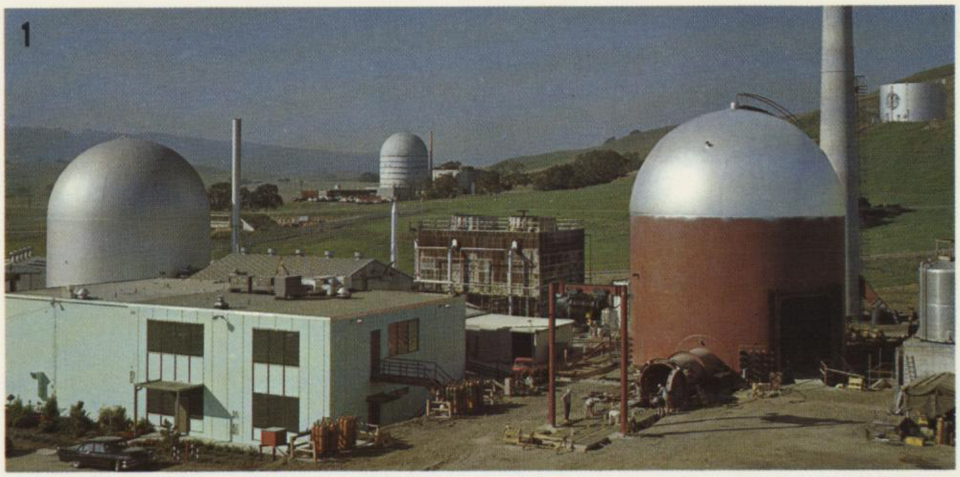
To make sure that General Electric continues to be a source of outstanding values, the Company stressed both the quantity and quality of its research and advanced technology in 1962.

In terms of quantity, General Electric is maintaining a high level of expenditure for research and development. A Senate Judiciary Committee study discussed in last year's Annual Report showed that the Company's average annual expenditure for research and development in the 1950's was $287 million, including government-sponsored projects. The Company's 1962 expenditure was well above this average.

Of the Company's employees, one of every 10 is a technical graduate. The Company has more than 50 major laboratories serving the research and development needs of specific operating departments, and other laboratory activities of lesser scope. In addition, three major laboratories — for research, advanced technology, and manufacturing — serve the Company as a whole. An average of over three patent applications a day was maintained in 1962.

General Electric is also emphasizing the qualitative judgments required in evaluating the flow of new ideas and selecting for sustained support those of greatest promise. An Officer of the Company has responsibility for forward planning in the more advanced technical areas of the Company and for evaluating the complex business risks on a Company-wide basis. Another step was the formation in 1962 of an Advanced Technology Services organization to help make available to the Company's operating departments the newest worldwide technological advances. The organization is also developing new opportunities that may lie outside the scope of current product departments.

Thus General Electric has a growing capability for relating the forward thrust of research more directly to end results in useful innovations for customers.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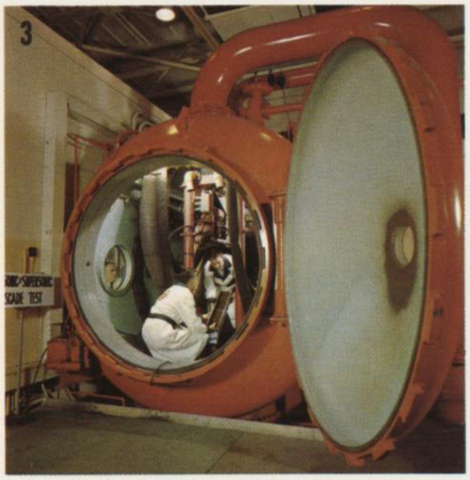
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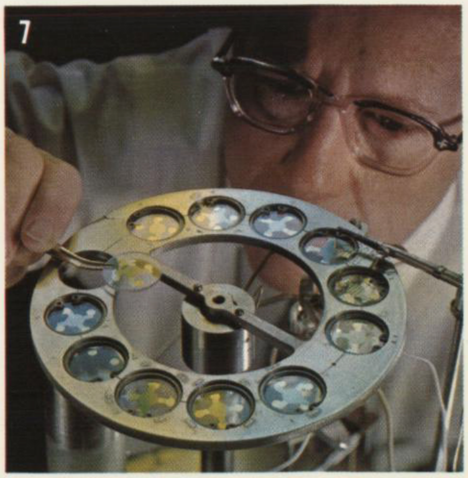
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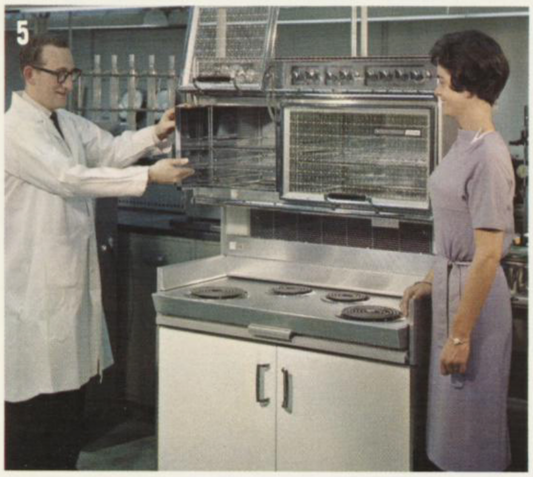
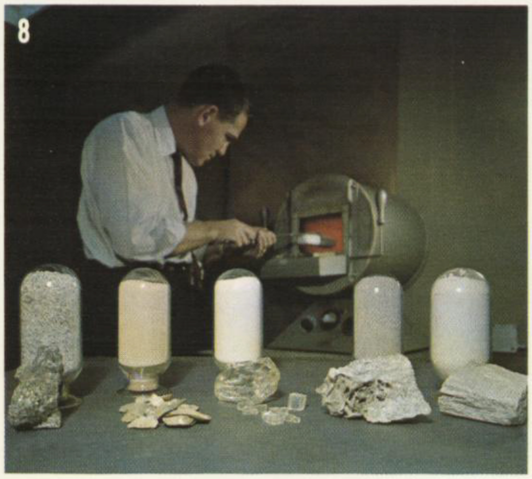




At left: Examples of 1962 research and engineering at General Electric.

1. Advanced atomic power research is being conducted at Atomic Power Equipment Department's Vallecitos Atomic Laboratory near Pleasanton, Calif. Here the new experimental superheat reactor being built in conjunction with a group of New York State utilities takes its place with earlier reactors. Development work sponsored by the Atomic Energy Commission in 1962 has been centered on nuclear superheat fuels and fast ceramic reactors. Nuclear superheat is a logical extension of boiling-water reactors for higher operating efficiencies. The fast ceramic reactor is being developed for the 1970's and can be teamed with boiling-water reactors to realize economies that neither could achieve alone. At the AEC's Hanford plutonium-producing plant in Washington State the Company in 1962 successfully demonstrated experimental operation of a reactor fueled with plutonium.

2. Developments in medical electronics from General Electric contribute to improved diagnosis and treatment. Teletrol x-ray system shown allows examinations in normal room light, reduces patient's radiation exposure and provides radiologist with remote control of equipment. Other electronic aids, such as a closed-circuit TV "nurse call" system, help improve both hospital efficiency and care of patients.

3. Research on components for jet engines, which are designed to fly far beyond the speed of sound, is under way in advanced facilities at the Flight Propulsion Laboratory in Evendale, Ohio. The Company is making studies of supersonic engines for both military and commercial applications.

4. Light beam drills hole in diamond in Advanced Technology Laboratories experiment showing the power of the laser, or Light Amplification by Stimulated Emission of Radiation. Laser's importance is that it produces "coherent" light that travels without the scatter of ordinary beams and thus develops high energy. Another significant 1962 achievement: the Research Laboratory's announced discovery of a semiconductor laser, the simplest and most efficient source of coherent light yet developed. The Company has also developed a laser for tracking a satellite by light waves.

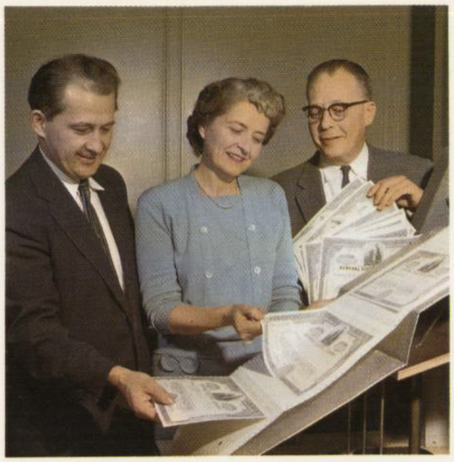
5. Closed-door broiling and smokeless surface cooking are offered in the Hallmark range, now being introduced by Hotpoint. It contains a ductless venting system developed by Hotpoint and the Advanced Technology Laboratories. Constant curtains of air seal off the cooking areas and the oven's walls.

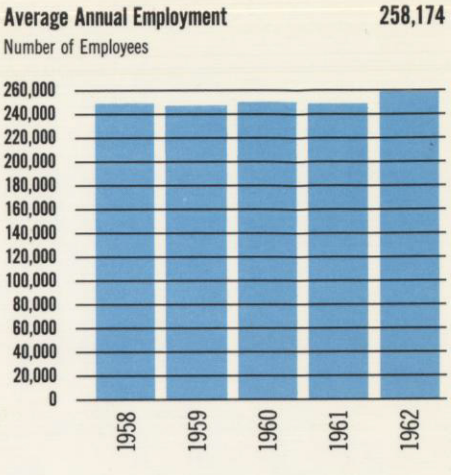
6. Lamps up to twice as efficient as today's general lighting sources may result from developments by the Company's Research Laboratory and the Lamp Division's Nela Park scientists. One such development, a promising new metallic vapor lamp announced in 1962, achieves increased efficiency through use of General Electric's Lucalox® translucent ceramic.

7. Electronic circuits on thin films only millionths of an inch thick are being developed to reduce size and weight, and to increase speed and reliability, of electronic equipment. Shown: basic research studies of thin films under way at the Research Laboratory. Development work is also being done at the Company's new micro-electronics facilities at Utica, N. Y.

8. New man-made 'miracle' materials are the goal of intensive development efforts in many General Electric laboratories. Shown: successful fusion of high-melting-point metallic oxides, providing new developments for the electronic and ceramic industries. An important 1962 achievement was the Research Laboratory's discovery of a new "direct process" for producing "Man-Made" diamonds, eliminating the metal catalyst required in the original process. This development is important to science and will aid the Company's growing business as a supplier of industrial diamonds.

PROGRESS FOR EMPLOYEES




Average Annual Employment 258,174
Number of Employees

The average number of employees rose to 258,174 in 1962 — a high point in the relatively stable average employment levels over the past five years.

Average compensation per employee climbed steadily over the same period to $7,905 in 1962.

Employment compensation costs were $2,040.8 million, including $167 million for employee benefits. These benefits, and their Company costs, included:

General Electric Savings and Security Program, which began in 1959, had 1962 costs of $28 million. This Program's first holding period ended December 31, 1962, entitling nearly 100,000 participants to a payout package of their savings plus a 50% Company proportionate payment. This package consists of U. S. Savings Bonds with a maturity value of approximately $30 million, and about 540,000 shares of Company stock with a market value at February 15, 1963, of about $43 million. Employees shown receiving stock certificates above are among the thousands who became share owners for the first time.

Savings and Stock Bonus Plan, whose 1962 cost of $2 million represented the market value of shares for bonuses to participants.

Insurance plans, costing $34 million. Health benefits paid since the first Company-wide health insurance began in 1950 passed the $300 million mark in April 1962. Total life insurance benefits paid since this form of coverage began in 1920 reached $173 million in 1962.

Pension plans, costing $32 million, as shown in the table at right. The plans' 50th anniversary occurred in 1962.

Medical Care Plan for Pensioners, costing $1.4 million in 1962.

Income Extension Aid Plan, providing $1.6 million for those affected by unemployment in 1962. Benefits available to eligible employees may be used as tuition to learn new skills, as weekly payments if they are still unemployed after state unemployment compensation payments end, or as lump sum payments for plant closings or extended layoffs.

The Company encourages all employees to develop their capabilities to the fullest, and provides a wide variety of in-plant training courses, advanced technical and professional programs, tuition loans and other educational opportunities. During 1962 there was a notable increase in efforts to train employees doing complex jobs requiring broader and more sophisticated skills and, through retraining, to help other employees acquire useful abilities to replace obsolete skills.

In 1962 the Company also paid $65 million for social security taxes, including $28 million in unemployment compensation taxes.

ANTITRUST REPORT

The substantial progress made in 1962 toward clearing away the claims relating to the sales of products involved in the electrical equipment antitrust cases filed in Philadelphia in 1960 had this important result: there are no longer any injunctive or damage suits pending against General Electric by the Department of Justice as a consequence of these cases.

The first major step during the year was a settlement reached with the government and the Tennessee Valley Authority. The Company agreed to make price adjustments amounting to $7,470,000 in connection with purchases by the TVA and other Federal agencies. As a result of these agreements, General Electric has been dismissed from all Federal government damage suits arising out of the Philadelphia cases.

On October 1, 1962, all of the 18 civil injunctive cases involving General Electric originally filed in Philadelphia in 1960 were terminated upon entry of a consent decree by the Federal District Court.

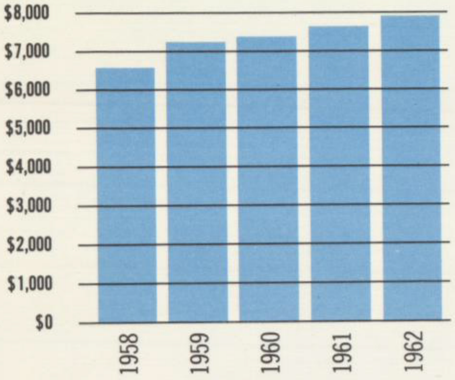
On October 2 the government and the Company agreed to the entry by a Federal District Court in New York of a consent decree disposing of an unrelated but long-standing Canadian radio patent case.

A framework within which settlement discussions with other electric utility customers are being conducted is provided by the agreement with the TVA and the government.

It is not possible to determine the total future financial effect of the claims arising from the electrical equipment antitrust cases. However, it is the opinion of management that the amount in price adjustments which will be granted to those customers with whom settlements are concluded under the Company's settlement program — including agreements reached to date — will not exceed $50 million.

To provide for price adjustments under the settlement program, sales for 1962 have accordingly been reduced by this amount. It is your management's hope that settlements will be reached in order to avoid the costs, delays and uncertainties of years of litigation, bur-

Average Annual Compensation per Employee $7,905
(Includes Employee Benefits)



PENSION TRUSTS for employees of General Electric and its subsidiaries

(In millions)

Operating Statement	**1962**	**1961**
Total assets—Jan. 1	$1,151.6	$1,097.3
Plus: Company contributions	32.2	27.4
Employee contributions	15.9	13.2
Investment income	50.5	46.2
	1,250.2	1,184.1
Less: Pensions paid	35.3	32.5
Total assets—Dec. 31	$1,214.9	$1,151.6

Financial Position—Dec. 31		
Investments	$1,189.1	$1,126.1
Cash	1.3	3.2
Other assets—net	24.5	22.3
Total assets	$1,214.9	$1,151.6
Liability to pensioners	$ 272.0	$ 249.5
Reserve for pensions to participants not yet retired	942.9	902.1
Liabilities and reserves	$1,214.9	$1,151.6

densome to all concerned. With regard, however, to any cases that are tried in the courts, the Company will vigorously defend the share owners' interests.

Looking ahead, General Electric management will continue to strive to bring this unfortunate antitrust episode to a swift and responsible conclusion. General Electric is determined to comply with the antitrust laws and orders applicable to it, and has further strengthened procedures designed to make sure that all affected employees understand and observe the requirements of these laws and orders.

February 15, 1963

1962 FINANCIAL SUMMARY

Sales of products and services totaled $4,792.7 million in 1962, an 8% increase over the previous high of $4,456.8 million in 1961. Consumer goods and industrial equipment sales showed healthy gains over the prior year. Volume for defense sales and heavy capital goods increased moderately over 1961 sales volume. Sales of heavy capital goods were aided by particularly strong export volume. See pages 2 through 21 for further discussion of 1962 sales. The Company's product price index, at 90 (1957-59 = 100), compared with 92 in 1961, and had declined by the end of the year 1962 to levels which prevailed during the years 1954 through 1956.

Net earnings applicable to common stock aggregated $265.8 million—10% above earnings for 1961, and equivalent to $2.97 a share of common stock. Earnings as a percentage of sales were 5.5% in 1962, compared with 5.4% in 1961 and 4.8% in 1960.

Materials, supplies, and all other costs not shown separately totaled $2,290.8 million, an increase of $227.9 million over such costs for 1961. Price levels of purchased materials were generally about the same as those for the prior year.

Employment costs discussed on the preceding page included the Company cost of pension plans, amounting to $32.2 million in 1962 and $27.4 million in 1961, both of which were lower than in recent prior years. This lower cost occurred mainly because the estimated future earnings rate used in the computation of liabilities of the General Electric Pension Trust was increased from 3% to 3½%, effective January 1, 1961, as discussed in last year's Annual Report. This created an excess of Trust assets applicable to service since September 1, 1946 over the related liabilities. About one-half of this excess was taken into account in determining the Company's 1961 contribution, and the remainder was used for 1962.

Depreciation and amortization (cost of wear and obsolescence of plant and equipment) amounted to $127.1 million, compared with $117.9 million in 1961. This increase of $9.2 million was caused mainly by adoption in 1962 of accelerated depreciation for book purposes on 1961 and later additions to plant and equipment. The new "guideline lives" published by the Internal Revenue Service had no effect on operating results as reported for the year 1962.

The investment credit provided by the

(In millions)

CHANGES IN PLANT AND EQUIPMENT DURING	**1962**	**1961**	**1960**
Cost of plant and equipment in use January 1	$1,673.4	$1,616.5	$1,566.4
Cost of facilities added during year	125.4	145.2	136.9
Deduct: Cost of facilities dismantled during year	*75.5*	*88.3*	*86.8*
COST OF PLANT AND EQUIPMENT IN USE DECEMBER 31	$1,723.3	$1,673.4	$1,616.5
Accumulated depreciation and amortization January 1	$ 956.7	$ 922.8	$ 886.8
Total depreciation and amortization included in costs	127.1	117.9	116.0
Deduct: Accumulated depreciation and amortization on facilities dismantled during year	*73.4*	*84.0*	*80.0*
ACCUMULATED DEPRECIATION AND AMORTIZATION DECEMBER 31	$1,010.4	$ 956.7	$ 922.8
COST LESS DEPRECIATION AND AMORTIZATION DECEMBER 31	$ 712.9	$ 716.7	$ 693.7

Revenue Act of 1962 amounted to approximately $5.5 million for General Electric. The credit is being carried in "Miscellaneous Reserves" and is scheduled to be added to income in future years. There was no effect on 1962 operations from the investment credit.

Taxes, except those on income, totaled $43.0 million, 9% above 1961 amounts. These taxes are mainly state and local franchise and property taxes. They do not include (1) social security taxes (listed under employee benefits), (2) indirect taxes which are not ascertainable in the cost of materials and services purchased or (3) certain excise and sales taxes not recorded in sales or costs.

Inventories include raw materials, items in process of manufacture and products ready for sale. At the end of 1962, inventories totaling $722.8 million were carried forward as costs applicable to sales in future years. Inventories increased by $74.3 million during 1962.

Because inventories are already valued conservatively, largely under the LIFO method of accounting adopted in 1955, it was determined that certain inventory reserves totaling $17.4 million, originally established to provide for possible future losses on inactive and excess stocks, were no longer needed. They were returned to income in 1962.

Nonoperating income amounted to $41.8 million in 1962, down $12.8 million from the preceding year. Income for 1961 had included payment received from a foreign government of a reparations claim arising from World War II, amounting to $10.7 million, for which there was no counterpart in 1962. Interest on debentures and other financial charges were nearly all applicable to the Company's outstanding 3½% debentures.

Provision for Federal and Canadian income taxes and for renegotiation was $244.0 million for 1962, $2.3 million more than the 1961 provision. The tax returns of the Parent Company and its principal subsidiaries have been audited by tax authorities through 1958 and, aside from certain refund claims, no controversies are pending.

Other income taxes (state and local) were $2.6 million in 1962, up $0.2 million from 1961.

Total tax and renegotiation cost for General Electric in 1962 was $3.19 a share of common stock—22 cents more than net earnings.

Dividends declared were $2.00 a share in 1962, a total of $177.5 million. This was 67% of net earnings, compared with 73% for 1961 and 88% for 1960, when dividends were also $2.00 per share of common stock.

Net working capital (the excess of current assets over current liabilities) amounted to $770.8 million at the end of 1962. Changes in net working capital may be summarized as follows:

	(In millions)	
	1962	1961
Additions to net working capital		
Net earnings for the year	$265.8	$242.1
Depreciation for the year	127.1	117.9
Newly issued common stock	28.5	24.0
Decrease/*increase* in investments and advances	14.9	*59.0*
All other—net	25.7	*26.6*
	462.0	298.4
Reductions in net working capital		
Dividends on common stock	177.5	176.4
Expenditures for plant and equipment	125.4	145.2
Increase in long-term receivables	39.3	65.0
Increase in equipment leased to others	19.5	14.2
	361.7	400.8
Net increase/*decrease* in net working capital	$100.3	*$102.4*

Cash and marketable securities totaled $345.8 million at the end of 1962, an increase of $40.6 million during the year.

Receivables, less reserves, were $716.0 million at December 31, 1962, up $45.3 million over the preceding year-end. Noncurrent (long-term) receivables, included under "Other Assets," totaled $168.7 million at the close of 1962. The increase of $39.3 million during the year was caused primarily by long-term financing for foreign sales of heavy electrical and transportation equipment, mainly in Latin American countries.

Investments and advances amounted to $258.0 million at the end of 1962, compared with $272.9 million at the end of 1961. Details of the investment account are shown on page 30, and the bases on which these investments are valued are described in the Notes to the Financial Statements.

The amount invested in General Electric Credit Corporation totaled $97.8 million at December 31, 1962, down $30.3 million from the end of the preceding year, with the decrease occurring mainly because the Credit Corporation repaid to the Parent Company subordinated borrowings of $39.0 million. This wholly owned subsidiary, which assists customers in the financing of their purchases, had assets of $784.8 million at the end of 1962. During the year the Corporation purchased from dealers $489.6 million of customers' contracts. Assistance to distributors and dealers through inventory financing amounted to $282.7 million in 1962. Commercial and industrial sales financing provided $142.2 million of volume in 1962. Statements for this subsidiary are presented on page 31.

Investments in, and advances to, foreign nonconsolidated subsidiaries amounted to $90.6 million at the end of 1962. This was an increase of $6.2 million during the year, caused principally by higher investment in Latin American countries. Combined statements for these subsidiaries at September 30, 1962 and 1961 and operating results for the twelve months then ended appear on page 21.

Investment of $27.4 million in the Company's common stock represented the cost of 385,664 shares held for corporate purposes at the end of 1962. A summary of changes in these holdings appears below:

	Number of shares
Shares of General Electric common stock held at January 1, 1962	372,601
Acquired during the year	599,700
	972,301
Used during 1962	
For the Incentive Compensation Plan	
Delivered to participants	50,730
Transferred under deferred provisions	21,039
For the General Electric Savings and Security Program	486,435
For the General Electric Savings and Stock Bonus Plan	27,036
Other awards to employees	1,397
Total shares used	586,637
Shares held at December 31, 1962	385,664

In addition, at December 31, 1962 the Company was holding for ultimate distribution to employees on a contingent basis under the deferred compensation provisions of the Incentive Compensation Plan, a total of 316,951 shares of common stock allotted during the years 1948 through 1962. These shares were carried under "Other Assets" as a part of "Funds for employee benefit plans" at market value at the time of their allotment, with an offset under "Other Liabilities."

Miscellaneous securities, totaling $49.5 million at the end of 1962, increased $9.5 million during the year, mainly because of increased investments in foreign securities.

The Company's 3½% debentures outstanding at the end of 1962 amounted to $222.5 million, a decrease of $6.2 million from the amount outstanding at the end of 1961. Debentures having a face value of $14.2 million, and reacquired at a cost of $13.0 million, were retired during 1962 in accordance with the sinking fund provisions of the underlying indenture agreement. At the close of 1962, outstanding debentures represented the remaining unretired debentures having a face value of $271.9 million, less reacquired debentures with a face value of $49.4 million, which are held in treasury in anticipation of future sinking fund requirements.

Common stock issued by the Company amounted to 89,888,966 shares at December 31, 1962, as compared with 89,345,647 shares at the close of the prior year. During 1962, a total of 290,335 shares were issued under the Company's restricted stock option plans and 252,984 shares under the General Electric Savings and Security Program.

Amounts in excess of par value received for stock totaled $179.8 million at the end of 1962, an increase of $28.0 million during the year. The increase arose from $25.8 million of premium received on sale of common stock newly issued in 1962, plus $2.2 million from disposition of common stock held in treasury.

The Incentive Compensation Plan provides incentive for outstanding performance by key employees. Incentive amounts allotted for any given year vary in accordance with how well the year's objectives are met by the Company, by the component for which the individual works, and by the individual himself. Allotments made in 1962 for outstanding performance in 1961 amounted to $13,370,247 for 2,286 employees.

A reappraisal of the amount included in "Miscellaneous Reserves" for incentive compensation resulted in $4.0 million of this reserve being returned to income in 1962.

The restricted Stock Option Plan, approved by the share owners in 1958, and a previous similar plan, provided continuing incentive for more than 1,100 employees during 1962. The option price of grants under these plans is the full market value of General Electric stock on the date of the grant. Therefore participants in the plan do not benefit unless the stock's market price rises, thus benefiting all share owners. Also, in order to exercise options the employee must remain with the Company, since options may be exercised only after annual installments mature, which is generally over a period of nine or ten years. Thus the plan encourages outstanding managers and professional employees to have a greater long-term interest in the Company's overall results.

During 1962, additional stock options were granted for 52,000 shares. Shares deducted from original grants for such reasons as deaths, retirements, and withdrawals totaled 48,097. Options for 1,094,585 shares outstanding at the end of 1962 were held by 1,113 individuals and 1,518,461 shares were available for the granting of additional options. A summary as of Dec. 31, 1962 follows:

			Installments		
Year of grant	Average option price	Net original grants*	not yet exercisable	exercisable but not yet purchased	1962 purchases
1953	$23.89	1,937,656	115,632	78,052	140,872
1954	45.00	541,849	44,386	96,456	67,035
1955	52.25	635,819	121,261	200,085	75,570
1957	65.76	178,152	72,106	83,407	5,841
1958	64.88	54,517	28,256	21,398	1,017
1959	79.88	30,540	20,025	10,515	—
1960	78.63	75,260	57,908	17,352	—
1961	78.00	76,426	67,737	8,689	—
1962	72.75	51,320	51,320	not yet exercisable	
		3,581,539	578,631	515,954	290,335

*After deductions for such reasons as deaths, retirements, and withdrawals. December 31, 1962 closing market price was $76.75.

GENERAL ELECTRIC 1962 FINANCIAL STATEMENTS

Consolidated Statement of Financial Position

	DECEMBER 31	
	1962	**1961**
Cash on hand and in banks	$ 81,861,808	$ 100,120,454
Marketable securities (bonds and other short-term investments readily convertible to cash)	263,939,952	205,039,360
Receivables* (money owed to the Company by customers, to be paid within a year)	716,040,558	670,774,418
Inventories (materials, and products being made or completed and ready for sale)	722,774,339	648,447,738
	1,784,616,657	1,624,381,970
Deduct: Collections from customers on contracts in progress and anticipated price adjustments on contracts	228,123,379	171,893,002
CURRENT ASSETS (cash, or items generally convertible to cash within a year)	1,556,493,278	1,452,488,968
Investments and advances* (mainly securities of wholly owned companies not consolidated, plus loans to them)	257,963,496	272,884,527
Plant and equipment less accumulated depreciation* (original cost of land, buildings and equipment—less estimated cost consumed by wear and obsolescence)	712,917,860	716,656,063
Other assets* (long-term receivables, special funds, etc.)	319,612,876	262,432,645
TOTAL ASSETS (items owned at the end of the year)	2,846,987,510	2,704,462,203
Notes payable by consolidated subsidiaries	50,000	50,000
Accounts payable* (mainly money owed for materials and services supplied by others)	209,478,404	209,961,510
Dividends payable to share owners	44,399,899	44,145,150
Taxes accrued (taxes owed to local, state, Federal and Canadian governments)	252,418,277	259,612,099
Other costs and expenses accrued* (amounts to be paid employees, interest owed, etc.)	279,393,028	268,267,225
CURRENT LIABILITIES (amounts generally due within the year ahead)	785,739,608	782,035,984
3½% debentures due May 1, 1976 (amount owed on long-term borrowings)	222,472,000	228,627,000
Other liabilities* (long-term payables, etc.)	61,550,493	57,680,941
Remainder of premium received from 1956 sales of debentures	785,622	869,779
Miscellaneous reserves (provision for future payment of costs incurred to date)	36,042,392	30,595,651
Minority share owners' interest in Canadian General Electric Company, Ltd.	18,074,474	1,450,725
TOTAL LIABILITIES, reserves and minority interest (amounts owed at year end)	1,124,664,589	1,101,260,080
Excess of Assets over Liabilities, Reserves and Minority Interest—Ownership	$1,722,322,921	$1,603,202,123
This ownership (share owners' equity) is evidenced by:		
Common stock* (issued shares of stock, each with a par value of $5)	$ 449,444,830	$ 446,728,235
Amounts in excess of par value received for stock*	179,834,853	151,813,595
Earnings reinvested in the Company	1,093,043,238	1,004,660,293
TOTAL SHARE OWNERS' EQUITY	$1,722,322,921	$1,603,202,123

*Details shown on page 30

Consolidated Statement of Current and Reinvested Earnings

	FOR THE YEAR		
	1962	**1961**	**1960**
SALES of products and services to customers	$4,792,732,530	$4,456,815,169	$4,197,535,440
Deduct operating costs:			
Inventories at January 1 (costs carried over from prior year)	648,447,738	655,161,191	626,203,743
Wages, salaries and employee benefits	2,040,782,602	1,903,613,703	1,848,151,233
Materials, supplies and all other costs not shown separately	2,290,816,062	2,062,921,379	1,970,258,713
Depreciation (cost of wear and obsolescence of plant and equipment)	127,056,005	117,879,850	116,028,159
Taxes, except those on income	43,043,084	39,379,845	36,390,587
Less—Inventories at December 31 (costs carried over to next year)	*722,774,339*	*648,447,738*	*655,161,191*
—Wages, salaries and employee benefits directly reimbursed by Atomic Energy Commission	*106,220,875*	*105,451,984*	*93,713,939*
Total costs applicable to sales	4,321,150,277	4,025,056,246	3,848,157,305
EARNINGS RESULTING FROM SALES	471,582,253	431,758,923	349,378,135
Add nonoperating income:			
Net earnings of General Electric Credit Corporation	8,666,884	9,539,960	7,325,482
Dividends received from foreign nonconsolidated subsidiaries	1,787,671	2,602,548	2,151,312
Other nonoperating income—net	39,559,568	51,192,811	43,658,422
Less—Interest on debentures and other financial charges	*8,254,046*	*8,776,894*	*9,617,601*
Nonoperating income—net	41,760,077	54,558,425	43,517,615
EARNINGS BEFORE INCOME TAXES AND RENEGOTIATION	513,342,330	486,317,348	392,895,750
Deduct—Federal and Canadian income taxes, and renegotiation	244,000,000	241,700,000	190,700,000
—Other income taxes	2,646,568	2,453,274	2,030,687
—Minority interest in subsidiary's net earnings	851,993	85,117	93,353
NET EARNINGS applicable to common stock	265,843,769	242,078,957	200,071,710
Deduct—Dividends declared for year	177,460,824	176,440,908	175,481,675
Amount added to reinvested earnings for year	88,382,945	65,638,049	24,590,035
Reinvested earnings January 1	1,004,660,293	939,022,244	914,432,209
REINVESTED EARNINGS December 31	$1,093,043,238	$1,004,660,293	$ 939,022,244
Earnings per share	$2.97	$2.72	$2.26
Dividends declared and paid per share	$2.00	$2.00	$2.00

Reference should be made to Notes on pages 30 and 31

DETAILS of Items in Statements

	DECEMBER 31	
RECEIVABLES:	**1962**	**1961**
From nonconsolidated subsidiaries	$ 10,523,243	$ 25,154,399
Other, less reserves	705,517,315	645,620,019
	$ 716,040,558	$ 670,774,418
INVESTMENTS AND ADVANCES:		
General Electric Credit Corporation—Equity	$ 77,758,800	$ 69,091,916
—Advances	20,000,000	59,000,000
Jelco Corporation—Equity and advances	98,318	679,881
Foreign nonconsolidated subsidiaries		
—Investments at cost	51,344,662	45,758,263
—Advances	39,279,492	38,700,295
General Electric common stock at cost	27,442,642	27,083,908
Miscellaneous securities at cost	49,539,582	40,070,264
	265,463,496	280,384,527
Less: Reserve	7,500,000	7,500,000
	$ 257,963,496	$ 272,884,527
PLANT AND EQUIPMENT:		
Plant and equipment at cost	$1,723,347,324	$1,673,452,682
Less: Accumulated depreciation and amortization	1,010,429,464	956,796,619
Cost less accumulated depreciation and amortization	$ 712,917,860	$ 716,656,063
OTHER ASSETS:		
Noncurrent receivables, less reserve	$ 168,715,247	$ 129,442,938
Equipment leased to others—net	53,687,030	34,163,582
Advances to vendors and distributors	22,465,955	26,014,228
Funds for employee benefit plans—per contra in Other Liabilities	22,187,564	20,626,400
Deferred charges, less reserve	11,482,094	14,341,597
Loans and advances to employees	4,843,242	4,700,845
All other	36,231,744	33,143,055
	$ 319,612,876	$ 262,432,645
ACCOUNTS PAYABLE:		
Trade payables	$ 159,992,187	$ 164,697,703
Payables representing collections from employees and others	48,975,189	44,678,636
Accounts payable to nonconsolidated subsidiaries	511,028	585,171
	$ 209,478,404	$ 209,961,510
OTHER COSTS AND EXPENSES ACCRUED:		
Payrolls accrued	$ 30,791,865	$ 26,115,842
Interest expense accrued	1,327,486	1,357,417
Other costs and expenses accrued—includes liabilities for replacements under guarantees, renegotiation, allowances to customers, employee benefit costs, etc.	247,273,677	240,793,966
	$ 279,393,028	$ 268,267,225
OTHER LIABILITIES:		
Noncurrent accounts payable and other accruals	$ 39,362,929	$ 37,054,541
Liability for employee benefit plans—per contra in Other Assets	22,187,564	20,626,400
	$ 61,550,493	$ 57,680,941
COMMON STOCK ($5 par value):		
Balance January 1	$ 446,728,235	$ 444,300,915
Shares issued under General Electric Stock Option Plans	1,451,675	1,371,090
Shares issued under General Electric Savings and Security Program	1,264,920	1,056,230
Balance December 31	$ 449,444,830	$ 446,728,235
Issued shares Dec. 31 (105,000,000 authorized)	89,888,966	89,345,647
AMOUNTS IN EXCESS OF PAR VALUE received for stock:		
Balance January 1	$ 151,813,595	$ 130,093,287
Premium received on shares issued	25,765,816	21,573,787
Net increase from dispositions of treasury stock	2,255,442	146,521
Balance December 31	$ 179,834,853	$ 151,813,595

NOTES to Financial Statements

Basis of consolidation—These financial statements and accompanying schedules represent a consolidation of the accounts of the Parent Company—General Electric—and those of all wholly owned or substantially wholly owned subsidiary companies dealing primarily in United States or Canadian currencies, except General Electric Credit Corporation, its subsidiary, and Jelco Corporation, which are sales finance subsidiaries.

All significant intercompany items have been eliminated.

Canadian accounts were converted to U.S. dollars on a dollar-for-dollar basis. To revalue net working capital in Canada to the year-end exchange rate, $5,944,515 was carried in Miscellaneous Reserves at the close of 1962, and $3,243,407 at the end of 1961. Net assets in Canada at December 31, 1962, totaled $116,698,597 after this revaluation.

Marketable securities were carried at the lower of amortized cost or market value. Carrying value was substantially the same as market value.

Inventories were carried at cost, exclusive of certain indirect manufacturing expenses and intercompany profits. Carrying value was not in excess of market. Cost of substantially all inventories in the United States was determined on a last-in, first-out (LIFO) basis. Inventories of Canadian components, with net value of $82.5 million before exchange revaluation, were valued on a first-in, first-out (FIFO) basis.

Investments and advances—Carrying value of General Electric Credit Corporation, its subsidiary, and Jelco Corporation represents the Company's equity in, and advances to, these subsidiaries, and all of their earnings are included in the consolidated statement of current earnings. Statements for General Electric Credit Corporation above at right form a part of these notes. Jelco Corporation had borrowings from banks which totaled $22,978,578 at the close of 1962.

Carrying value of foreign nonconsolidated subsidiaries represents cost of investments in, and advances to, these companies. Only dividends received from these subsidiaries are included in the Company's statement of current earnings. Combined statements of foreign nonconsolidated subsidiaries as of September 30, 1962 and 1961 are on page 21.

Investment in General Electric common stock at the close of 1962 represented the cost of 385,664 shares being held for corporate purposes, such as requirements for the General Electric Savings and Security Program, Savings and Stock Bonus Plan, and Incentive Compensation Plan. On December 31, 1962 these shares had a quoted market value of $29,599,712.

On December 31, 1962 the fair value of miscellaneous securities was approximately $104 million.

General Electric Company 3½% debentures mature May 1, 1976, with interest payable on May 1 and November 1. The indenture provides for sinking fund payments of $13 million annually through 1975. The Company, at its option, may make additional annual payments of up to $13 million, and also has the option of redeeming all or part of the bonds at any time upon payment of redemption premiums ranging downward from 2.65%. The underlying indenture also includes certain limitations on pledge, mortgage, or disposition through sale and lease-back of manufacturing properties. Reacquired debentures with face value of $49,427,000 held in treasury in anticipation of sinking fund requirements have been deducted from unretired debentures which totaled $271,899,000 at the end of 1962.

Net sales billed for 1962 have been reduced by $50 million, representing provision for price adjustments to customers on sales of certain products which were subjects of antitrust cases, as described on page 24.

Costs applicable to sales—Expenses directly reimbursed by the Atomic Energy Commission for the Company's operation of atomic projects at Richland, Wash., Schenectady, N. Y., and St. Petersburg, Fla., are not included in sales or costs applicable to sales.

GENERAL ELECTRIC CREDIT CORPORATION

Consolidated Financial Statements

	DECEMBER 31	
FINANCIAL POSITION	**1962**	**1961**
Cash	$ 34,926,460	$ 27,513,079
Receivables, less reserve (a)	744,810,179	635,220,386
Prepaid interest and discount	2,455,938	1,677,062
Other assets	2,610,441	1,465,060
Total assets	784,803,018	665,875,587
Notes payable to:		
General Electric Company	20,000,000	20,000,000
General Electric Company—subordinated	—	39,000,000
Others	484,026,300	414,617,500
Others—subordinated	50,000,000	—
Accounts and drafts payable	27,662,417	24,754,517
Deferred payments to dealers	33,308,059	27,071,407
Accrued Federal taxes on income	6,077,087	6,995,121
Other accrued liabilities	3,523,652	2,679,608
Deferred income	82,446,703	61,665,518
Total liabilities	707,044,218	596,783,671
Assets less liabilities—equity	$ 77,758,800	$ 69,091,916
Equity represented by:		
Par value of common stock (b)	$ 20,000,000	$ 10,000,000
Investment in excess of par value	—	1,100,000
Reinvested earnings	57,758,800	57,991,916
Equity—held by General Electric Company	$ 77,758,800	$ 69,091,916
(a) Reserve for receivable losses	$ 12,300,000	$ 11,100,000

(b) An increase in par value during 1962—from $100 to $200 a share—added $10,000,000 to common stock, of which $1,100,000 was transferred from investment in excess of par value and $8,900,000 from reinvested earnings.

CURRENT AND REINVESTED EARNINGS	**1962**	**1961**	**1960**
Volume of time sales and inventory financing	$914,544,426	$820,615,545	$756,577,498
Gross earned income	$ 71,334,832	$ 65,177,962	$ 57,805,179
Expenses—Operating and administrative	34,517,369	30,455,192	27,875,177
—Interest and discount	18,855,579	14,912,810	14,709,520
—Federal income taxes	9,295,000	10,270,000	7,895,000
Net earnings for the year	8,666,884	9,539,960	7,325,482
Deduct: Transfer to common stock for par value increase	*8,900,000*	—	—
January 1 reinvested earnings	57,991,916	48,451,956	41,126,474
December 31 reinvested earnings	$ 57,758,800	$ 57,991,916	$ 48,451,956

INDEPENDENT AUDITORS' REPORT

to the share owners and board of directors of General Electric Company.

We have examined the consolidated statement of financial position of General Electric Company and subsidiaries as of December 31, 1962 and the related statement of current and reinvested earnings for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated statements, with the explanation regarding antitrust litigation referred to at left and on page 24, present fairly the financial position of General Electric Company and subsidiaries at December 31, 1962 and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Peat, Marwick, Mitchell & Co.

Seventy Pine St., New York 5, N. Y., Feb. 15, 1963.

BOARD OF DIRECTORS

Fred J. Borch,
Executive Vice President—Operations and Director,
General Electric,
New York, N. Y.
Elected a Director in 1962.

S. Sloan Colt,
Director and Member of the Executive Committee,
Bankers Trust Co.,
New York, N. Y.
Also, Chairman of the Board of Commissioners of the Port of New York Authority.
A Director for 23 years.

Ralph J. Cordiner,
Chairman of the Board and Director,
General Electric,
New York, N. Y.
A Director for 14 years.

Charles D. Dickey,
Director and Member of the Executive Committee,
Morgan Guaranty Trust Company of New York,
New York, N. Y.
A Director for 22 years.

Edwin D. Harrison,
President, Georgia Institute of Technology,
Atlanta, Ga.
Elected a Director in 1962.

Frederick L. Hovde,
President,
Purdue University,
Lafayette, Ind.
A Director for 7 years.

Gilbert W. Humphrey,
Chairman of the Board and Director, The M. A. Hanna Co., Cleveland, Ohio.
A Director for 8 years.

Cramer W. LaPierre,
Executive Vice President and Director, General Electric, New York, N. Y.
A Director for 2 years.

John E. Lawrence,
Partner, James Lawrence & Co., Boston, Mass.
A Director for 6 years.

Ralph Lazarus,
President and Director, Federated Department Stores, Inc.,
Cincinnati, Ohio.
Elected a Director in 1962.

George H. Love,
Chairman of the Board and Director, Chrysler Corp., Detroit, Mich., and Consolidation Coal Co.,
Pittsburgh, Pa.
A Director for 13 years.

Thomas B. McCabe,
Chairman of the Board and Director, Scott Paper Co.,
Philadelphia, Pa.
A Director for 11 years.

Neil H. McElroy,
Chairman of the Board and Director, The Procter & Gamble Co., Cincinnati, O.
A Director for 10 years.

Dean A. McGee,
President and Director,
Kerr-McGee Oil Industries, Inc.,
Oklahoma City, Okla.
Elected a Director in 1962.

George G. Montgomery,
Chairman of the Board and Director,
Kern County Land Co.,
San Francisco, Cal.
A Director for 14 years.

Henry S. Morgan,
Partner,
Morgan Stanley & Co.,
New York, N. Y.
A Director for 23 years.

Gerald L. Phillippe,
President and Director,
General Electric,
New York, N. Y.
A Director for 2 years.

Gilbert H. Scribner Jr.,
President, Scribner & Co.,
Chicago, Illinois.
Elected a Director in 1962.

Robert T. Stevens,
President and Director,
J. P. Stevens & Co., Inc.,
New York, N. Y.
A Director for 13 years.

Walter B. Wriston,
Executive Vice President,
First National City Bank,
New York, N. Y.
Elected a Director in 1962.

OFFICERS

CHAIRMAN OF THE BOARD Ralph J. Cordiner

PRESIDENT Gerald L. Phillippe

EXECUTIVE VICE PRESIDENT—OPERATIONS Fred J. Borch

EXECUTIVE VICE PRESIDENT Cramer W. LaPierre

VICE PRESIDENTS AND GROUP EXECUTIVES

James H. Goss
Jack S. Parker
Charles K. Rieger
Arthur F. Vinson
Herman L. Weiss

VICE PRESIDENTS

Hershner Cross
L. Berkley Davis
Virgil B. Day
William H. Dennler
Oscar L. Dunn
Lyman R. Fink
Robert L. Gibson
Hubert W. Gouldthorpe
George L. Haller
Reginald H. Jones
Harold A. MacKinnon
Francis K. McCune
Halbert B. Miller
Charles E. Reed
Willard H. Sahloff
Charles V. Schelke
J. Stanford Smith
Hoyt P. Steele
Harold A. Strickland Jr.
C. Guy Suits
William C. Wichman
Laurence I. Wood

COMPTROLLER Robert E. Pfenning

TREASURER John D. Lockton

SECRETARY Laurence I. Wood

REGIONAL VICE PRESIDENTS

Charles J. Ellis, Southeastern
Harry P. Gough, Western
Edwin H. Howell, Southwestern
George L. Irvine, Central
William A. Mann, Mid-States
Charles J. Miller, East Central
Harold A. Olson, Northeastern
Nathan L. Whitecotton, Atlantic

EXECUTIVE OFFICES 570 Lexington Avenue, New York 22, N. Y.

Organization is as of February 15, 1963.

10 YEAR SUMMARY

Per-share amounts in dollars;
Other dollar amounts in millions

Net sales billed . . . .
Product price index (1957-59 = 100) . .
Net earnings . . . .
Earnings per share (a) . . . . . .
Earnings as a percentage of sales . . .
Earned on capital invested (b) . . . .
Cash dividends declared . . . . . .
Dividends declared per share (a) . . .
Number of shares issued—Dec. 31 (a) .
Average number of share owners . . .
Market price range per share (a) (c) . .
Current assets . . . .
Current liabilities . . . .
Total assets . . . .
Long-term debt and notes payable . .
Share owners' investment . . . . . .
Total capital invested (d) . . . . . .
Plant expenditures . . . .
Depreciation and amortization . . . .
Total taxes and renegotiation (e) . . .
Total employee compensation (f) . . .
Average number of employees (g) . .
Average compensation per employee, in dollars (f) . . . .

(a) Adjusted for 3 for 1 conversion in 1954.
(b) Net earnings for the year—before interest on money borrowed—as a percentage of total capital invested at the close of each year.
(c) Represents high and low market price on

Printed in U.S.A.

	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953
. .	$4,792.7	$4,456.8	$4,197.5	$4,349.5	$4,120.8	$4,335.7	$4,090.0	$3,463.7	$3,334.7	$3,510.6
. .	90	92	97	101	100	99	93	86	89	88
. .	$265.8	$242.1	$200.1	$280.2	$242.9	$247.9	$213.8	$208.9	$204.4	$173.8
. .	2.97	2.72	2.26	3.19	2.78	2.84	2.46	2.41	2.36	2.01
. .	5.5%	5.4%	4.8%	6.4%	5.9%	5.7%	5.2%	6.0%	6.1%	5.0%
. .	14.1%	13.7%	11.9%	16.7%	15.7%	16.9%	15.3%	17.8%	19.2%	17.6%
. .	$177.5	$176.4	$175.5	$174.3	$173.7	$173.2	$172.4	$145.9	$131.4	$121.6
. .	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.70	1.53	1.42
. .	89,888,966	89,345,647	88,860,183	88,282,899	87,681,422	87,396,796	87,143,662	86,875,994	86,660,618	86,537,782
. .	446,919	440,938	416,950	404,431	395,493	377,555	362,122	338,563	277,047	247,944
. .	78½–54¼	80¾–60½	99⅞–70¼	99⅞–74	79⅜–57	72⅜–52⅜	65½–52¾	57¾–46¼	48½–29	30¾–22⅛
. .	$1,556.5	$1,452.5	$1,478.5	$1,567.3	$1,407.9	$1,353.0	$1,268.7	$1,056.1	$1,056.5	$1,182.4
. .	785.7	782.0	705.6	739.3	700.4	733.4	676.4	708.9	686.7	755.2
. .	2,840.6	2,704.5	2,551.3	2,561.5	2,420.9	2,361.3	2,221.1	1,903.1	1,815.3	1,823.7
. .	223.4	229.6	250.5	278.0	306.3	303.1	308.5	92.0	51.9	58.2
. .	1,722.3	1,603.2	1,513.4	1,457.7	1,311.0	1,231.2	1,143.4	1,089.8	1,020.0	942.3
. .	1,945.7	1,832.8	1,763.9	1,735.7	1,617.3	1,534.3	1,451.9	1,181.8	1,071.9	1,000.5
. .	125.4	145.2	136.9	91.3	104.1	153.6	205.2	161.4	170.6	158.7
. .	127.1	117.9	116.0	119.9	124.5	119.9	108.7	97.4	86.4	73.6
. .	285.8	283.5	229.1	313.1	282.1	300.3	247.2	206.5	230.4	354.0
. .	2,040.8	1,903.6	1,848.2	1,783.7	1,640.2	1,715.3	1,643.8	1,372.4	1,250.9	1,311.7
. .	258,174	249,100	250,621	246,840	249,718	282,029	280,497	250,306	243,622	257,091
. .	$7,905	$7,642	$7,374	$7,226	$6,568	$6,083	$5,860	$5,483	$5,135	$5,102

New York Stock Exchange for each year.

(d) Represents total share owners' investment (ownership) plus long-term debt and notes payable as of December 31 each year.

(e) Excludes certain excise and sales taxes, which are not included in sales or costs, and social security taxes, which are listed under employment costs.

(f) Includes Company cost of pensions, insurance, social security taxes, employee savings programs and all other employee benefits.

(g) An additional 35,258 individuals were employed during 1962 by the Company's nonconsolidated subsidiaries around the world.

Innovations that boosted sales for General Electric in 1962 included the Americana range with an ey

Pioneering of gas turbines as generating units brought new business in '62.

Housewares innovations included the hair dryer and automatic toothbrush.

Innovations in tape controls for advanced machine tools built '62 sales.

GENERAL ELECTRIC
New York 22, N.Y.

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BEULAH E HEIL F-B-O
RUTH ANN RUSSELL
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